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Current HISTORY



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In Memoriam:

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George W. Ochs-Oakes

Editor of Current History

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ISSUES IN MANCHURIAN CRISIS A. N. Holcombe
RISE OF THE CHAIN STORE R. B. Westerfield
THREAT OF GERMAN REVOLUTION Lindsay Hoben
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GEORGE WASHINGTON OCHS-OAKES
Editor of CURRENT HISTORY, Who Died on
Monday, Oct. 26, 1931, on the Eve of
His Seventieth Birthday.

In Memoriam: George W. Ochs-Oakes

IT is with profound regret that we record the death on Oct. 26, 1931, of George Washington Ochs-Oakes, the Editor of *Current History*. Four weeks previously he had undergone a surgical operation at the Medical Centre at Broadway and 168th Street, New York City. After making an excellent recovery he was preparing to leave the hospital the day of his death to celebrate the next day with his family his seventieth birthday, on Oct. 27. He seemed to be in the best of health and spirits, joking with his friends at the bedside only a few minutes before a heart attack caused instantaneous death.

Funeral services were held in the chapel of Temple Emanu-El, Fifth Avenue, New York City, on Oct. 28. Before a large and distinguished attendance Rabbi H. G. Enelow of Temple Emanu-El conducted the service and Rabbi Jonah B. Wise delivered an address reviewing Mr. Oakes's career. Following the funeral services in New York Mr. Oakes was buried in Mount Sinai Cemetery, Frankford, Pa., alongside the remains of his wife, who died in 1913.

The unexpectedness of Mr. Oakes's death shocked all who knew him. Tributes to his character and achievements came from President Hoover and many leaders in all fields of public activity as well as from the large circle of friends and those who had been associated with him in his work in various parts of the country.

Of Mr. Oakes's personality it is difficult for those who were associated with him to write without emotion. He was a man who combined with moral and intellectual strength the qualities of charm, affability and vivacity to the highest degree, and while in our mourning we look back to him with admiration and respect, still more do we feel the loss of one for whom we had the deepest feelings of love and affection.

George Washington Ochs-Oakes, son of Julius and Bertha Ochs, was born in Cincinnati, Ohio, on Oct. 27, 1861, while his father was serving in the United States Army as Captain and Adjutant to Colonel Jones. At the close of the Civil War his parents moved to Knoxville, Tenn., where the boy attended public and private schools before entering the University of Tennessee, from which he received the degree of B. A. in 1880. Meanwhile he had already begun to earn a livelihood by selling papers for the *Knoxville Chronicle*, and in 1880 he set out on his career of over a half century in journalism as a reporter on the *Chattanooga Times*, of which Adolph S. Ochs, his brother,

had become proprietor in 1878. Mr. Oakes became successively city editor, night editor and managing editor of that newspaper, and in 1896 its publisher on his brother's acquisition of *The New York Times*.

Twice between 1890 and 1900 Mr. Oakes was elected Mayor of Chattanooga, and, in turn, president of the Chattanooga Chamber of Commerce, president and one of the founders of the Library Association and president of the Board of Education. He was a delegate from his Congressional district to two Democratic national conventions. In 1892 he seconded the nomination of Grover Cleveland for President. In 1896, after Bryan's nomination, he bolted his party's Presidential ticket and took an active part in the Sound Money Democratic Organization which nominated its own candidates in the Presidential election. Subsequently Mr. Oakes's party affiliation was Republican.

One of the most interesting interludes in Mr. Oakes's career came in 1900 when he went to Paris as editor and manager of the Exposition edition of *The New York Times*. In recognition of his services he received the Cross of the French Legion of Honor.

In 1901 Adolph S. Ochs bought *The Philadelphia Times* and in 1902 *The Philadelphia Public Ledger* and placed Mr. Oakes in charge as publisher and editor of the combined newspapers. These properties were sold to Cyrus H. K. Curtis in 1913, but Mr. Oakes was induced by Mr. Curtis to remain as editor and publisher until the end of 1914, when he moved to New York to become an officer and director of The New York Times Company.

Toward the end of 1914 Adolph S. Ochs took a step that was destined to give Mr. Oakes his greatest opportunity in journalism. This was the decision to establish a monthly magazine, called *Current History*, for the purpose of recording "in historical form, impartially and without editorial comment, the social, economic, political and military developments which were growing out of the world convulsion."

In March, 1915, Mr. Oakes became editor of this magazine, and it was in this position, which he held until his death, that he performed the great service for which his previous experience, his wide interests and his mental and moral qualities fitted him so well, and by which he will be remembered among historians and journalists imbued with a full and proper sense of their high calling.

When at last the World War came to its conclusion, Mr. Oakes was confronted with the problem of broadening the policy of the magazine so that it should record the significant happenings throughout a changed world. Here his editorial abilities were seen in full flower. Those who worked under him can not easily do complete justice to the knowledge, insight and courage which marked his conduct of the magazine in these years since the war. He had a passion for the facts which con-

stitute the truth of history, and for the sake of that truth he would let nothing stand in the way, not even his own ideas or opinions. More than once he dared to put before the American public realistic and impartial statements of facts which threw new light on events, even when they might run counter to preconceived ideas and prejudices. The guiding principle of his editorial policy was to serve the high purposes of historical truth and thereby make the magazine true to its device, "History in the Making."

Mr. Oakes (this Anglicized name was added to that of Ochs in 1915 by court decree after the sinking of the *Lusitania*, which aroused his intense indignation), married Miss Bertie Gans of Philadelphia, who died in 1913. There were two sons by the marriage—George W. Jr., and John Bertram. The former was graduated with honors at Princeton in 1930 and has since been doing post-graduate work at the University of Oxford, while the latter is now a sophomore at Princeton University.

It was with this object that Mr. Oakes organized the Board of Current History Associates to contribute each month the section of the magazine entitled "A Month's World History." The distinguishing feature of this plan was that each month a survey of events should be made by a group of scholars and authorities on history and political science in our leading universities. In another direction, we may mention as one of Mr. Oakes's notable achievements as an editor his boldness in reopening the whole question of war responsibility in the face of the prejudices which still lingered after the war.

It is, however, to the complete files of *Current History* under Mr. Oakes's editorship that one must turn for a full appreciation of his many-sided interests, his judgment and his keen journalistic sense. These volumes provide an enduring monument of creative editorship. His great achievement was to gather together the contributions of those best able to serve his purpose of recording "history in the making."

During the last sixteen years of his life the supreme interest for Mr. Oakes was the conduct of this magazine. But a man of his amazing physical and mental energies could not deny himself some other activities. Significantly enough they were closely connected with his work as editor. Thus, in 1926, he began work for a doctorate in history at Columbia University and last year had completed the residence requirements for the degree.

Apart from this, he became president of the Civitan Club of New York in 1923 and its first and permanent honorary president in 1927. In 1930 he was appointed a member of the National Advisory Editorial Commission of the George Washington Bicentennial. He was elected president of the Tennessee Society of New York in 1931.

(Tributes to Mr. Oakes will be found on pages 485-500.)

CURRENT HISTORY

DECEMBER 1931

Britain's Imperial Destiny

By P. W. WILSON

Former Member, British House of Commons

FOR thirteen years since the Armistice—years of revolution, reconstruction and reaction—the world has been wondering almost daily over the news from Great Britain. Not a week has passed without the report of some happening, the hint of some change, the suggestion of some tendency, which seemed to indicate that the country is beset by difficulties, internal and external, the strain of which is telling seriously on her resources. Of these troubles, the economic crisis, now enveloping the finance and industry of the nation, is the climax, nor is it possible to evade a fundamental question which has been widely whispered, as it were, under the breath. Does England stand where she stood? How are we to estimate her perplexities? Are they merely a bad spell of that “mess, muddle and make-believe,” out of which, hitherto, this amazing country, never knowing when it is beaten, has always managed, somehow or other, to emerge the stronger? Or must we take a more serious view?

It is true that the world, as a whole, is suffering from a depression without precedent in its range and severity. But the position of Great Britain, whether favorable or unfavorable, is of a peculiar significance. Here is a group of islands off the coast of Europe, with an area of 120,000 square miles and a population that has risen to 45,000,000, which exercises a far-flung sovereignty over no less than 14,000,000 square miles of territory, or one-quarter the land surface of this globe, and 460,000,000 people, or one-quarter of mankind. It means that the influence and authority of Great Britain have been, as it were, ten times more extensive than her own nationality, and that a change in her status, the character of her citizens, the forces under their control, would make an immediate difference to the entire human race. An era would be brought to an end. A new era would be born of which, even in imagination, not one of us can form so much as a dim idea.

There is an impression that the

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British Empire is an ancient and venerable affair, that, like everything else that is British, it is not a system, planned on a design and working as a machine, but the growth of centuries. The Channel Islands date from 1066 and were added by William the Conqueror as a part of Normandy. The oldest Dominion, Newfoundland, was annexed in 1583. But if we take what really matters today in "the expansion of England," as Seeley called it, we shall find that the British Empire is quite modern. A hundred years ago, what could we have seen of the development of Canada, Australia and New Zealand; the vast extension of territory in Africa; the reorganization of Egypt, the Suez Canal; the annexation of India and Burmah; the control over the Euphrates valley? The whole of this has been the work of a century, and much of it has happened within living memory. The mandates, Palestine and Tanganyika, for instance, were among the spoils of the World War.

The question whether an empire, thus mainly recent, is to be eternally permanent is thus neither unfair nor fantastic. For thousands of years, the pages of history have been devoted largely to the rise of empires, their glorious culmination in what, at the time, seemed to be an unchallengeable solidity and their ultimate disappearance. If we reckon time by centuries, what reason is there to suppose that the British will continue to be successful in holding territories as diverse as Kashmir and Canada, Gibraltar and Hongkong, Uganda, Malta, the Khyber Pass and Labrador?

We are apt, as a rule, to judge of the British Empire by what may be described as its Augustan Era. There was a glittering period when the majesty of a magnificent heritage expressed itself in a series of pageants, unsurpassed for grandeur and significance by any spectacles ever devised by masters of ceremonies. At the Golden Jubilee of Queen Victoria in 1887, her Diamond Jubilee ten years later,

the coronations of King Edward and King George, and successive Durbars at Delhi, the prestige of the empire was displayed in jewel and turban, gorgeous vestments, gallant uniforms, brilliant decorations, fireworks and fanfares, not forgetting the serviceable yet unadorned equipment of troops drawn from the oversea Dominions. Kipling wrote his "Recessional"—

Lord God of Hosts, be with us yet,
Lest we forget, lest we forget.

Elgar composed the majestic march which solemnized the "pomp and circumstance" of his "Land of Hope and Glory, Mother of the Free."

But even in those great days there were pessimists who asked how long "the show" would last. They pointed out that between the British and any other empire, developed by man, there has been a fundamental difference. The Roman autocracy was expressed in a code of uniform law and was held together by military legions, occupying camps which were connected by roads. The armies of the British Empire are no more than a police force and the lines of communication are, in the main, oceanic. Never has there been an empire so varied in its culture, so scattered in its area, so exposed along its "far-flung battle line," so ill defended by military forces. The only material link that united the empire was a navy, largely concentrated in European waters.

Fifty years ago, therefore, people were already asking the question that now troubles us, namely, whether the British Empire can be prevented from breaking up. A proposal for uniting the empire was imperial federation. Very little came of it. Even the House of Lords did not furnish a rendezvous where representatives of dominions and territories, so widely scattered as these, could meet for purposes of legislation and deliberation. No better fate attended the endeavors by Joseph Chamberlain, as Colonial Secretary, to consolidate the empire

by means of preferential tariffs. Here and there, preferences have been conceded, but the scheme as a whole was stultified by the simple circumstance that the only preference of value to the dominions was in food and raw materials, which, whatever their origin, enter the mother country free. The idea of federation is thus reduced to an imperial conference, meeting every few years and generally reviewing the position.

When, therefore, the shock of war fell pitilessly on Western civilization, there were many who assumed that, as a matter of course, it must mean the end of a fabric so delicately adjusted and so vulnerable as the British Empire. For that "dominion over palm and pine" there had begun what Gibbon would have called "the decline and fall," and a victorious Germany would gather up the fragments into a coherent and logical Zollverein.

It seemed as if these prophecies of downfall were gloriously falsified. The dominions rallied to the mother country; South Africa forgot her grudges; Indian Moslems did not throw in their lot with Turkey, and the war was won without the loss of an inch of territory. On the contrary, the empire was extended by 800,000 square miles, and, with six votes in the League of Nations, Great Britain appeared to be at the very zenith of her power. Amid ruin and revolution, there she stood, still herself, with her long and unbroken traditions, her unshakable monarchy, the acknowledged ability of her hereditary aristocracy, the solidity of her Parliamentary system, the dignity of her established church, the unquestioned reliability of her public finance, the far-reaching operations of her banking system, her expanding trade and world-wide shipping, and that absolute confidence in her destiny which, in the darkest hour, has never failed her statesmen, her soldiers and her seamen.

It has been during the aftermath of the victory that reasons for misgivings have accumulated. Win or lose,

war is, after all, a terrible surgery. Suppose that the operation has been successful. Even so, the patient has to face the uncertainties of convalescence. Awakening from the anesthetic, Great Britain, not so young as she used to be, has failed to make a rapid recovery. "I do not know," wrote Edmund Burke, "the method of drawing up an indictment against a whole people." No less difficult is it to apply a diagnosis to a whole people. But we may begin with the simple fact that, as an old country, needing rest after a fearful experience, Great Britain emerged into a new and rapidly changing world. It was as if she stepped straight from the hospital into a subway at the rush hour.

Britain's sovereignty itself was brought under rude discussion. Before the war her constitutional monarchy was regarded as leading the despotisms of Europe along the path of progress toward a larger liberty. Today, autocracies like Germany and Russia, closely allied to the British royal family by marriage, have been swept out of existence, and the British throne is isolated amid the rising tide of republicanism. Like the United States, the dominions have shaken themselves free of the social caste which has been and is still so powerful in the mother country. They refuse to develop a titled nobility or to establish a church, and however picturesque may be England's forms and ceremonies, it is not possible for her, without a sense of absurdity, to address the farmers of Alberta and the Transvaal in the language of the Plantagenets. The Irish laborers who have migrated in such numbers to Glasgow and the south of Scotland are also remote in sympathy from any hint of flunkeydom, whether in courts or elsewhere. The monarchy is thus compelled to abandon all pretenses arising out of privilege, and to base itself, more and more, on the record of actual and undeniable utility.

The sovereignty of England was associated with a Parliamentary system.

Before the war that system was only challenged by emperors, asserting a divine right. Today the system is repudiated by popular democracies, establishing a dictatorship of the majority, like communism in Russia and fascism in Italy. In Great Britain, itself, the historic Liberal party, with its proud memories of Fox and Sheridan, of Cobden and Bright and Palmerston, of Gladstone and Asquith and Lloyd George, has been shattered to fragments. Organized Labor, flaunting the label of socialism, condemned the country to a long interregnum of three-party and, therefore, minority rule. In eight years there have been four general elections and a tendency to develop those political groups which militate against the permanence of strong administrations. As a result of the stalemate, the workers, losing patience with Parliament, flirted for a time with communism and plunged the country into the brief and bloodless but deplorably expensive ordeal of the general strike.

Amid the chaos Labor has been able twice to form a government, and in the international field it is agreed that the party has made a substantial contribution to peace, to reconciliation with the United States and to the solution of the Indian problem. But on the home front, where, particularly, Labor was expected to be active, the record is negative, and we have been rubbing our eyes over the spectacle of Labor's first Prime Minister, James Ramsay MacDonald, with his Chancellor of the Exchequer, Philip Snowden—the very propagandists who insisted on having a Labor party—throwing up their hands in despair at their own Frankenstein's monster and calling in the Conservatives to save the country—and capitalism!—from their colleagues by means of what MacDonald called a "doctor's mandate." The resultant election has been characterized by an animosity, not of parties as such, but of social strata. It has been, if not a class war, at least a class controversy.

There is hardly a question that these uncertainties in Great Britain have affected that subtle but actual tie which unites her with the dominions. Before the war the Parliament at Westminster was "Imperial" and exercised an absolute right to legislate for the whole of the King's dominions. Today the authority of that Parliament, described no longer as Imperial, but as British only, is limited to Great Britain and Northern Ireland. All the dominions enjoy a legislative and administrative independence. They have asserted, moreover, their right to appoint their own diplomatic representatives; also, to sign their own treaties and to record their own votes at Geneva, even if those votes be against the mother country. Ireland has her own flag, coinage, stamps and tariff, while South Africa indulges perennially in debates over independence. The only link between the dominions and Great Britain and each other is today the sovereignty itself, vested in the Crown, and this link is voluntary.

There is another aspect of the case which is sometimes ignored. We hear much of what the Dominions think about Great Britain. We seldom inquire into Britain's thoughts about Dominions.

It is a familiar saying that the empire was conquered in a fit of absence of mind. Indeed, morals also were inclined sometimes to recede modestly into the background. Over the empire, therefore, the British themselves have always been curiously divided in sentiment. Warren Hastings, who extended England's influence in India, and Cecil Rhodes, who founded a dominion in South Africa, were put on trial for their misdeeds, while Wakefield, the pioneer in New Zealand, was an exile, ostracised by society because, with a curiously innocent chivalry, he eloped with a schoolgirl. As late as 1852, Disraeli, now regarded as an apostle of empire, wrote to Lord Malmesbury that "these wretched colonies will all be independent, too, in a few

years, and are a millstone around our necks." Gladstone and many Liberals were equally suspicious of adventures in Egypt and speculations in the Suez Canal.

There are, as there always have been, the Winston Churchills who vigorously uphold the might and majesty of the empire. But the voice of the Little Englander is also audible, and he talks of the empire as Disraeli wrote eighty years ago. It is not only the Socialists who are "fed up" with Dominions, where it is taken for granted that Britain will pay for the army and navy, yet where tariffs are made punitive against British imports. A war-weary nation asks bluntly why Great Britain, with her own problems to solve, should worry her mind over Jews and Arabs in Palestine. Let Iraq and Egypt settle their own affairs and let self-government in India be pushed to the verge of independence.

It has always to be borne in mind that Great Britain is a country where the people can safely grumble because they know that, amid the lucubrations, a silent and efficient civil service will simply "carry on." It is this official momentum that is today maintaining the empire; and if amid the hurricane the empire holds together, it is because, once for all, the old colonial system has gone by the board. The empire consists no longer of "possessions" belonging to the sovereign State. It has become a part of the structure of civilization, and is to be studied, not only because of the powers which actively it exerts, but because of the latent forces, the possible aggressions, the probable upheavals which, within the restraining shelter of its prestige, are held in abeyance.

The British Empire has become a method of bringing what we call East and West into contact on terms that result in the minimum of friction. Time will show whether, through the League of Nations, any better and more logical method can be devised.

But essentially there is no difference between the endeavor in London to assuage Hindu-Moslem rivalry or the deep and ominous hostility between blacks and whites in Africa, and the association of the United States with the League of Nations in the endeavor to promote tranquillity in the Far East. For Great Britain, the result of all this is a new situation. Politically she has an empire; financially and industrially she stands alone. Trouble in India affects her trade neither more nor less than trouble in China or the Argentine. Commerce no longer follows the flag. It is international.

The population of Great Britain is now about 600 to the square mile. She has accumulated a colossal debt of \$35,000,000,000, much of it at an interest of 5 per cent. She has developed social services, including national insurance against sickness, old age and unemployment. She has liquidated her investments in the United States, and discovered that investments elsewhere, for instance, in Russia, are not as sound assets as the paper would suggest. She has thus a heavy burden to carry and this means an added dependence on foreign trade.

Hence the especial strain on Great Britain, resulting from a world-wide depression which has so seriously reduced the volume of commerce and its yield in profits. As markets for cotton, China and India are inhospitable. With the tonnage of the world's mercantile marine trebled by expansive building, there is a shortage of cargoes and one of Britain's main sources of income is shot to pieces. It is thus no wonder that the number of unemployed, living on "the dole," so far from dropping to normal, say, 500,000, has risen by leaps and bounds to 2,750,000, that there has been a momentary failure to balance either the budget or foreign trade, and, that despite drastic economies in expenditure, with an increase of taxation to one-third of the national income, sterling has been driven off the gold

standard. Under the pressure of this taxation, ancestral estates, which have been held by famous families for many generations, are broken up and dukes cannot afford to live in their castles. Pictures and art treasures are sold for shipment across the Atlantic, and yachts are put out of commission. Hunting and other expensive sports are severely curtailed, while leading statesmen, accustomed to weigh their words, somewhat recklessly broadcast the danger of national bankruptcy.

It is in the perspective of history that the emergency, real though it is, should be estimated. In the fourteenth century England was ravaged by the Black Death, which reduced her population to a half, and after centuries of war, foreign and civil, her position when Elizabeth ascended the throne was precarious. Yet the Elizabethan era was not without its glories. After 1776 the finances of England were in a condition far worse than they are today and quite as bad as the impending insolvency which led France to revolution. But the younger Pitt pulled the budget into shape, and England was able to finance Europe against Napoleon. After Waterloo, England presented a picture of appalling discontent. There was cholera. There was rebellion. Yet, amid all the Chartism, the Victorian era rose, like the Elizabethan era, to splendid achievement.

Within Great Britain there are multitudes of men and women who say little and make no fuss. They do not discuss large schemes or estimate far-reaching probabilities. They do the day's work, whatever it may be. They are content with simple homes and gardens from which, as a rule, they derive produce for the pantry. The old is preferred to the new, and it is inexpensive. It is no deprivation to be without novelties that you have never wanted. In England there is thus a

great reserve of domestic happiness, independent of prosperity or depression, of which headlines take no note. That is why many English, though poor, are loath to emigrate.

With her smaller population and much smaller area, Great Britain cannot expect to be the equal of the United States in aggregate wealth and industry. But if, comparatively, she takes second place, that is no reason why, absolutely, she has to decline. In the eighteenth century what failed England was timber, then essential as fuel. Today she may have less iron. But there is no serious danger of her exhausting the coal reserves. The only question there is whether other countries will need to buy this coal. While Britain has less potential water power than some of her rivals, she is able to perfect electric supply for her industries, a task preposterously delayed. Also, she will have to bring her mind to bear on mundane details like by-products which she has been apt to regard as mere chemistry.

The revival of industry which has accompanied the devaluation of the pound is definite. Wool and coal and cotton have taken an upward turn. But it will not be by mere inflation that Britain will win a permanent victory, nor, as this writer thinks, by tariffs. For a cheaper sterling, while it helps export for the moment, means that, in due course, there will be a higher price on imported food and raw materials. The salvation of Great Britain depends on her ability to differentiate between courage and complacency, and abandoning the latter, to organize her industries drastically on a basis that eliminates waste, applies work to actual production, and advances distribution by supplying to the world that of which the world stands in actual need. England is not going to the dogs. But she has to make a fresh start.

Ramsay MacDonald's Break With the Labor Party

By S. K. RATCLIFFE

[Mr. Ratcliffe has during the past thirty years held various positions as editor and newspaper correspondent in India, England and America. He is also well known in this country as a lecturer. His latest book is entitled *India After Gandhi*.]

TWO years ago Ramsay MacDonald paid his memorable visit to America as Prime Minister. During the past twenty years I have observed at close quarters all the eminent British public men who have been in the United States, or have had the opportunity after their departure of forming an estimate of their visits and their standing with the American people. Lloyd George and Balfour from the front rank; Lord Reading, Grey, Haldane, Birkenhead and General Smuts, among the rest. I state a fact known to everybody in England when I say that the Labor Prime Minister of two years ago made an impression upon the American people of a kind that would have been impossible to any other statesman from Europe.

In the Fall of 1929 Ramsay MacDonald had just become for the second time head of the government. He had led his party in an electoral campaign that displayed all his remarkable gifts. He was in the prime of elderhood, passing the grand climacteric—63. He was in full command of his powers, a master of the Parliamentary game, the undisputed and seemingly indispensable leader of the

Labor party. In the field of international affairs he stood easily first among his rivals. Five years earlier he had been Foreign Secretary and had raised the repute of England in Europe to a level which she had not attained since the pre-war period. Mr. MacDonald identified himself with the policy of naval agreements and the generous removal of all causes of friction between Great Britain and the United States. This made him welcome in Washington. He was known to have sprung from a Scottish village. He seemed to fulfill, in British terms, the older American ideal of a career "from log-cabin to the White House." Hence he looked good to the American crowd. Moreover (no minor point this) he is a North Briton, and as such practices a style of oratory that is admired equally in both countries, while he enunciates the mother tongue with a clearness and fullness of sound which, being strikingly unlike the miscalled "standard" English of university dons and Anglican deans, makes grateful and satisfying music for the English-speaking nations of the West.

Thus, we may say that the Ramsay MacDonald of 1929 struck the American people as the first unmistakably right specimen of a British statesman and Prime Minister; and if any one, English or American, had then dared the prediction that within two years this man would have broken irrevoca-

bly with his party and become head of a government upheld by the entire Conservative forces of his country, he would, as I need hardly say, have been told that he was playing amid the moonbeams of the larger lunacy.

Now, in American politics these personal revolutions and revulsions cannot occur. There are some advantages—or at least securities—in a stable two-party system. In England such things are infrequent, although the names of Disraeli and Joseph Chamberlain, Lloyd George and Winston Churchill come at once to mind. Mr. MacDonald's case is the most sensational in our political history. It must indeed be regarded as unique, for we must remember that the Labor party is a structure that has no analogue among British parties, and that since it became a definite Parliamentary force it has thrown up in the House of Commons only one leader of genius, Ramsay MacDonald himself.

There are two matters for special inquiry in this latest and most surprising political upheaval, if we would have a right understanding of the event and the man chiefly responsible for it. The first of these is the nature of the August crisis which brought the Labor Government to grief and impelled the Prime Minister to join with his lifelong opponents in the making of the National Government. The second is the recent history of Mr. MacDonald's private mind.

The crisis arose directly out of the terrifying condition of Germany at midsummer, the condition which led to President Hoover's action in offering the war debts moratorium. The balance of trade and of the British budget were, needless to say, matters of the gravest importance; but they had relatively little to do with the critical dilemma of August. The Labor Cabinet was overthrown as a direct result of the financial policy pursued by the City of London, by the Bank of England and its allies, and influenced beyond all question by the high permanent officials of the

British Treasury. The short-term borrowings abroad by the financial houses, coupled with the loans to Germany and Austria under conditions which during the Summer of 1931 could not be fulfilled, had created a situation with which a government such as that over which Ramsay MacDonald presided could not grapple. A realistic Prime Minister would have known this in advance. It may be taken for granted that Mr. MacDonald did not foresee it, at any rate in relation to the banking policy that proved fatal to the Labor Government.

But there is every reason for the belief that the actual development was no surprise to the Prime Minister. It is well known that for some months before the Bank's crisis or the budget problem became dominant, his mind had been taken up with thoughts of a dramatic turn of affairs; in other words, that a National Government made and directed by himself was taking shape as something much more than a possibility. But before we try to explain what had been happening to Mr. MacDonald's mind and purposes it may be well to bring out a few definite facts concerning his Labor colleagues and especially one member of the inner group who, over against the leader, has been a pivotal figure of the past year.

It is an ironic fact, but certainly a fact, that the return of Philip Snowden to the Exchequer in 1929 created an inherent difficulty which was certain to hasten the end of the Labor Government. Mr. Snowden as financier belongs to a past age. When he took office in the second MacDonald Cabinet he was known to be against the Labor party's schemes for grappling with unemployment. He thought the proposed expenditures wasteful and dangerous. For two years he blocked them and in his last House of Commons speech he held them up to ridicule. During the year before the crisis Mr. Snowden had been deep-

ly troubled over the country's financial condition, and in February he delivered a speech which was regarded as the most disturbing alarm ever sounded by a Chancellor of the Exchequer.

But then, after he had warned the nation in plain words that it was headed for the abyss, Mr. Snowden presented a budget based upon little else save the desperate hope that something might turn up to avert the catastrophe. Throughout the election campaign he dealt mercilessly with those members of the Cabinet who had not stood with Mr. MacDonald and himself. He accused them of cowardice and dishonesty. He asserted that they had failed in the acid test of democratic leadership—that is, they had not possessed the courage to tell their followers the disagreeable truth. In taking this line Mr. Snowden laid himself open to a damaging retort—namely, that as the Minister responsible for the national finances, he had first looked the disagreeable truth right in the face, but had then turned aside and passed on.

The action taken by Mr. Snowden, like that taken by Mr. MacDonald, can only be fully explained in the light of certain personal matters which will be dealt with presently. At this point the fact to be emphasized is that Philip Snowden's support was the one thing essential at that moment to Mr. MacDonald. The bankers' disclosure put the Prime Minister into the worst kind of dilemma. There was no margin of time. He had on the instant to appraise the chances of forming a National Government, and the Chancellor of the Exchequer was the determining factor. A few months earlier Mr. Snowden had been in the surgeon's hands and very near his end. His life was saved, and he held on to his task with a grim resolve. That gave Mr. MacDonald in the crucial hour the one colleague without whose aid the making of the National Government would have been impossible. During many

years the two men had been something less than friends. They were now the closest allies, standing together against the party which both had served for forty years.

Let us now return to the situation as it confronted the Labor Government at the fateful week-end, Aug. 22-24. There is no similar crisis in the records of the British Cabinet. The Prime Minister was informed that within three days the Bank of England might be compelled to declare itself incapable of meeting its commitments in gold. The Cabinet, hurriedly called together, learned that the American bankers were willing to advance further loans, but only on certain conditions. The strict balancing of the budget came first—an entirely proper condition. Another was said to be the making of a drastic cut in those unemployment benefits which America and the world know as the "dole."

Now if it were true that this second condition was actually imposed from New York, there can be no dispute as to the rigor of the test. A Labor Government could not submit to it. That is indisputable. But it should be noted that the condition as to the dole has since come to be a subject of sharp controversy. Mr. MacDonald's own statement in the House seemed to admit of only one interpretation—namely, that the demand was made and he had acceded to it. But the New York bankers have affirmed that they did not make such a demand. Thus we are left with the explanation, or suspicion, that this unprecedented means of bringing pressure to bear upon a British Cabinet was devised in the City of London. The result in any case was decisive. The Labor Government was at an end. The Cabinet resolved upon resignation and broke up in the assurance that when they met Mr. MacDonald on the following day it would be preliminary to a call upon the King for the purpose of resigning their offices in unison. The actual sequel was far more dramatic. In the course of a few hours the Labor Min-

isters found themselves facing their old leader from the Opposition benches. He had made the National Government, and overnight had broken with the Parliamentary party and the Labor movement in the country. The breach was final. Ramsay MacDonald knew that he could never go back.

He had a choice of two courses and two only. He could have followed the constitutional rule of resigning as head of a Cabinet unable to continue the government of the country. People hate a "quitter," as we know, and some millions in Britain would have applied this maxim to Ramsay MacDonald if, in August, 1931, he had followed the course marked out as proper for a party leader. All the same, it would not have been difficult for him to offer a full justification if he had stayed with his party and yielded the Premiership to the Conservative leader. The Labor Cabinet was virtually a unit in favor of resignation (Mr. Snowden's own retirement was impending in any event for reasons of health), and Mr. MacDonald was aware that if he remained Prime Minister it could only be at a price almost exactly equivalent to that paid by Lloyd George when he accomplished the coup of December, 1916.

Given the nature of the crisis, Mr. MacDonald was entirely right in his desire to bring a National Government into being. These are abnormal times, and Britain is not yet anywhere near the end of her most serious difficulties. Those difficulties are essentially economic and financial. Practically all instructed people are agreed that Parliament and party government cannot cope with the enormous tasks of national recovery and reconstruction. In other words, a state of national emergency exists, no less actual than the emergency of wartime. Hence a Prime Minister, plunged as Mr. MacDonald was into a situation which admits of no delay, must be commended for stepping out of the party ring and inviting the co-

operation of all the other political leaders. But how does the matter stand if his colleagues and his party announce that they find it impossible to support him? His problem then becomes one of personal conviction, honor and responsibility. Mr. MacDonald, as a matter of fact, in his relations with the Labor party had reached the moment to which many inward experiences and outside influences had been tending ever since the close of his first Premiership seven years ago.

There remained for him one major question to be decided. He had created the National Government; could he hold it together without a national election? He wished, of course, to do so, but it became evident almost immediately that the managers of the Conservative party, who control Mr. Baldwin, the titular leader, were resolved to have a general election and to make it turn mainly upon the tariff. The more extreme tariff newspapers were altogether frank about this. They declared, not only that the time had come for a tariff election, but also that if the appeal to the electorate were deferred until, let us say, the end of a hard Winter in which the full effects of England's going off the gold standard would become apparent, the chances of a tariff victory at the polls would probably have vanished.

The Prime Minister was master of the situation in September; or he could have been if he had exerted the weight of his position, his strategic advantage and the widespread public belief in his indispensability. He strove to do this, but without making use of the hard logic and plain words which alone could serve him during those days of drama which in due course will make a vivid chapter of English history. For a brief time until the first week of October Ramsay MacDonald was very nearly a dictator. But he himself submitted to dictation.

The narrative of these remarkable happenings in London presents little

difficulty. It is not often that the series of events leading to a cataclysmic change of government are more free from obscurity than those through which the British parties have lately passed. It is when we leave the sphere of political manoeuvres and approach the problem of Ramsay MacDonald the man that we find ourselves in a jungle of conjecture and contradiction.

Many readers will be able to recall one or other of the biographical studies published about the time of his rise to the highest office in 1924. As drawn against the background of the Labor movement and the House of Commons, Ramsay MacDonald appeared as a distinctive and appealing public man. He was markedly detached from his Labor associates. He was always to a large extent self-absorbed. No one would have denied that he was ambitious, but before his second Premiership it could hardly have occurred to any one, even among the few who can claim to know him well, that there was any place in politics for him save as leader of the Labor party or, at the very least, its most conspicuous elder statesman. But it is certainly true that his position in the Labor party was changing, and that the evidences of the change began to accumulate after the General Strike of 1926.

As leader of the party he was acknowledged to be indispensable. As orator, in request all over the country, he was still unapproached. But there was a variegated and continually growing anti-MacDonald movement among the Labor rank and file. The rivalry with Arthur Henderson became more definite and obvious, especially with Mr. Henderson's entry into the international field, his excellent European position and successes as Foreign Secretary. All these things were important as influencing the standing of Ramsay MacDonald at a time when the difficulties of the Labor Government were gathering volume and complexity. But it is

certain that they were relatively unimportant when measured against the changes in Mr. MacDonald's own mind, and the emotional currents which for a period of some years had been carrying him away from his Labor moorings.

Consider his case, first, in its relation to the dominant section of the movement of which he was the political leader. That section is made up of the labor unions. Mr. MacDonald has never belonged there. His prolonged service for the Labor party was rendered altogether in the political field; it had very little directly to do with the affairs of the unions and their characteristic leaders. In the Trades Union Congress (which has grown to be very important in the Labor party since the first Labor Government) Mr. MacDonald had no status. Notwithstanding his long years of toil as organizer and missioner, he has been something of a stranger among the branches which were kept alive through the country by groups of ardent workingmen and their women folk. Always himself an intellectual, he has from the beginning borne the unmistakable mark of the intelligentsia, while his knowledge and broad cultural interests have given him the entrée to a privileged world as remote as could be from the daily concerns of the humble people composing the bulk of the party which made him Prime Minister.

So long as Labor was out in the wilderness, with its leaders still far from the Parliamentary front bench, there could be no reason for any doubt as to Mr. MacDonald's position in the movement. But political success in England has meant hitherto the absorption of the party leaders by society and the old governing class, and this fact of English social history furnishes us with another clue to Mr. MacDonald's later development. Gladstone was accustomed to point to John Bright and say: "There goes the only man prominent in political life who has escaped the corrupting influences

of London society." Mr. MacDonald has been for many years a favorite in great houses of London and the country, and no wonder. I am not thinking at the moment of Lord Balfour or Lord Cecil, of Lloyd George, or the admirable Stanley Baldwin. But compare him, as a social or intellectual figure, with the average front-bench politician of the older parties. There is no need to mention names. It is sufficient to say in this connection that the average Cabinet Minister of this lawyer-business age is anything but a brilliant person. Not a few of those who have sat on the front bench between the days of Asquith and Mr. Baldwin have qualified for inclusion in the American category of "stuffed shirts." Mr. MacDonald, on the other hand, has always been vital, many-sided, intellectually equipped.

He was born for the social world of the British statesman, no less decidedly than for Parliament. And so it may be said to have been inevitable, given the surroundings of the second Labor Government and all that had been happening to himself in the Labor party, that when the time came he should have taken a step which, in making him head of the National Government, put an end in a moment to his leadership of the Labor party and his career as a Labor statesman, and set him in the opposite camp at the close of his sixty-fifth year.

One other statement should be added which is both accurate and relevant. Among Mr. MacDonald's associates it was for many years generally accepted that his personal links with the Labor party were becoming very few. It would be true to say that at no stage of his remarkably full public life has he taken much pleasure in the companionship of Labor politicians. It was remarked, for instance, that during the two years of the Labor Government no member of the Cabinet was ever found in the weekend parties at Chequers. All politicians talk shop, and a large percentage of them can talk nothing else.

Mr. MacDonald has never liked it. As party leader he pointedly avoided it. After he became Prime Minister his habit was to cultivate certain members of the government (the late Lord Thomson, for example) who were in the Labor party but emphatically not of it. Moreover, in the second and very difficult year of the Labor Government, it was observed that Mr. MacDonald was becoming less careful to hide the signs of his increasing inclination to draw away from his political associates. He would probably have agreed with a remark made by his old friend John Morley, to the effect that mutual dislike among politicians had had a great deal more to do with the breaking up of Cabinets than the outside world has supposed. It is undoubtedly true that Mr. MacDonald is a man of strong dislikes, and that in these later years he had grown actively to dislike many individuals and groups with whom for half a lifetime politics had brought him into continual contact. He fought the October election in his northern constituency as a Labor candidate, stating emphatically that he had surrendered no principle and abandoned no ideal. That is characteristic. But it does not alter the fact that he has left his old party and can never return to it.

Let it also be remembered that Mr. MacDonald in office has been exceedingly conservative. Both the Labor Governments, of course, occupied the minority position in Parliament, but it may be positively asserted that if as head of such a government Mr. MacDonald had commanded a majority, his policy would still have been cautious, decidedly more so, for instance, than the policy that Lloyd George would adopt if he were to preside again over a composite Cabinet. In other words, the first nominally Socialist Prime Minister of England has at no time proposed a single Socialist measure.

What, then, is to follow? There was never a doubt about the victory of the

National Government at the polls, although the personal fate of the Prime Minister was the biggest puzzle of the election. The wild and embittered contest leaves him at the head of a Cabinet in which the actual victors are represented by men to whom he has always been opposed, and when the emergency business of the Winter is over, they will begin to push the 100 per cent tariff policy of the Conservatives. The party managers, and Conservative candidates everywhere, made their intentions entirely clear in the campaign, and neither the Prime Minister nor Mr. Snowden will have cause to complain when they find themselves faced with the resultant demands. In these circumstances the future of Ramsay MacDonald becomes a matter of great interest and of unlimited speculation. I venture no prediction of my own, but I give what is virtually the unanimous opinion of all the politicians and publicists I know—namely, that his third Premiership is unlikely to last more than a few months. If it should continue as long as a year it would be regarded as something of a miracle. The acquaintances of the Prime Minister are aware that during the past year or so his mind has turned to other fields. They will tell

you, for example, that he would have been ready to consider taking the Viceroyalty of India, if it were not certain that no physician could be induced to give a single word of encouragement in that direction to an elder of his age. That being so, however, there is no reason against Mr. MacDonald's finding in some other direction the opportunity for a dignified close to his extraordinary career of storm and public service.

[The foregoing was written in London a few days before the general election on Oct. 27, when the Conservatives gained an overwhelming victory. The course of action which Mr. MacDonald, as head of the National Government, had followed was thereby confirmed by the electorate, and he remained in office, though his own party of National Laborites numbered only 13 as against the 473 Conservatives. Almost immediately after the election Mr. MacDonald began the task of reconstructing the Cabinet on a broader basis than that of the National Government which he formed when the Labor party went into opposition. For this and other developments in the British political situation see Professor Brebner's article in "A Month's World History."]

Liberal Trends in the Supreme Court

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HAVE the decisions of the Supreme Court since the appointments of Chief Justice Hughes and Justice Roberts given indications of any changed attitude? Are the two new justices liberals or conservatives? Different cases make both terms applicable to the same man, and, indeed, the terms themselves are not easy to define. So-called liberals denounce "the judicial veto" when used against labor legislation and tax laws, but want the court to overthrow sedition statutes. Justice Holmes has been hailed as leader of the liberal justices. Yet, it is arguable that the most genuine conservatism is shown in his strong attachment to the American tradition of freedom of thought, which others have recklessly discarded since 1917, and in his reluctance to interfere with the powers of State Legislatures. His non-legal writings vigorously question the workability of socialism, and his decisions give unmistakable hints that as a legislator he would have opposed many of the statutes which, as a judge, he refuses to declare unconstitutional.

Judges cannot be expected to adhere to particular views with the fidelity of pledged delegates at a party convention. Still, there are intellectual trends on the bench like those in the world at large. At the two ends of the scale are the extremists who are panic-stricken about Moscow and those

who are panic-stricken about Wall Street. Among the moderate men in between, some distrust bureaucrats and others distrust plutocrats. One group is inclined to confide the control of business to those who have succeeded in business, believing that they know best how to manage it; the other would give much of the control to the elected representatives of the multitude who are vitally affected by business. One group believes it for the best interests of the community that to him that hath should be given; the other realizes the solution of new social problems may require that from this lucky individual much shall be taken away. Both these moderate attitudes have appeared in the Supreme Court in changing proportions. Sometimes the same judge shifts from one to the other as a fresh set of facts brings special ideas and emotions into play. Chief Justice Taft, so often on the side of the employers in labor disputes, saw the need of restricting them in the sweated trades by minimum-wage legislation. Despite such individual variations, the Supreme Court's history during the forty years before 1930 can be divided roughly into three periods when the tide was setting in one direction or the other.

First, around the turn of the century, novel legislation due to advancing collectivism and urban congestion was meeting with suspicion from

judges trained in the individualism of the simpler days of their youth. Joseph H. Choate successfully attacked a 2 per cent Federal income tax as "a confiscation under the forms of law" and "communistic in its purposes and tendencies." The court upset a ten-hour law for bakeshops as "mere meddlesome interference with the rights of the individual."

Such decisions were condemned by progressives in both political parties, and by 1910 a second period had begun. New judges under a new constitutional amendment were applying income taxes which could take nearly half of some men's incomes. Within ten years of the bakeshop decision an eight-hour law for railroad men was upheld. Thus the court was accepting without question far more drastic regulatory legislation than it had previously overthrown. The under-dog had his day.

Each new restriction upon business, however, aroused fresh opponents. Even before the Wilson Administration ended, the overthrow of the Federal child labor law and the enforcement of yellow-dog contracts reflected the strengthening feeling, outside the court, that inroads on property had gone far enough. After the "return to normalcy" and Mr. Harding's appointments of Chief Justice Taft, Justice Sutherland and Justice Butler, property owners won repeated victories in the court. Widely adopted legislation was held invalid, like Federal and State minimum wage laws. States were denied power to fix the weight of loaves of bread, forbid shoddy in bedding, limit the enormous charges of New York theatre-ticket brokers, or regulate the fees charged workmen by employment bureaus. Drastic labor injunctions were affirmed, an Arizona statute limiting them was nullified, and the application of the Sherman act to large strikes was extended. Perhaps the strongest resentment arose from numerous decisions allowing utilities to charge higher rates than public com-

missions thought sufficient. The dissenting justices, Holmes, Brandeis and Stone, seemed only ineffectual adherents of the lost cause of the independence of legislatures and commissions. Although not all the important decisions in this period favored property owners, and much of the ground social democracy had previously gained was still held, groups whose slogan was "Less government in business" began to feel wealth had found its surest protection in the Supreme Court, while the slowly rallying progressives were eager to place some curb on its powers.

It was this general distrust of the court, as much as any objections to Mr. Hughes personally, which found expression in the opposition to his appointment as Chief Justice. "No man in public life," asserted Senator Norris, "so exemplifies the influence of powerful combinations in the political and financial world"—his appointment was only one step in carrying out the policy of extending mergers and big business. This belief that Hughes would strengthen the conservative trend of the court arose from his close relations with the Harding Administration and his frequent appearances as counsel for wealthy corporations.

A deeper consideration of his record would have lessened these apprehensions. Many acts of his political career were not those of a reactionary. During the life insurance investigations of 1905 and 1906 he was considered a dangerous radical. As Governor of New York he put the State into the forefront of progressive legislation. In 1920 he led the opposition to the exclusion of Socialists from the New York Assembly and denounced deportation outrages, while his fellow-statesmen preserved a discreet silence. And Hughes's representation of large business interests in court was no sure indication of his position on the bench. An office lawyer may have difficulty in ceasing to think like the officers of wealthy corpora-

tions with whom he has spent years in close collaboration, but Mr. Hughes spent merely a few weeks preparing a case, presented it in court, and then turned to the affairs of a wholly different client like the United Mine Workers. Furthermore, this period of advocacy came long after his opinions had matured. It was unlikely that the liberalism of his earlier years was completely submerged by the arguments made after he resumed practice at sixty-two.

Mr. Hughes is primarily a lawyer, and as such feels it his duty to represent loyally the client for whom he happens to be working. While in the Republican administration he was its strongest advocate. At the bar he spoke for those who had retained him. On the bench his client is the people of the United States, and there is no danger that he will be inclined to represent any other.

The best evidence of Mr. Hughes's qualification for Chief Justice was his 150 opinions as Associate Justice. He was on the Supreme Court from 1910 to 1916—the years when the national current had turned strongly toward social democracy and was bearing the court along with it. He participated in the dissolution of the Standard Oil Company and the American Tobacco Company; in nullifying price-fixing contracts; and in upholding shorter hours for railroad workers, the prohibition of paying wages except in money, Federal employers' liability legislation, the Oklahoma bank guarantee law, and State regulation of insurance rates. He spoke for the majority of the court to invalidate the Alabama peonage law. He declared the constitutionality of State child labor legislation, grade crossing statutes, safety device laws, limitations on the hours of work of women. His most notable majority opinions involved the relations between interstate and intrastate rates; these decisions, coupled with his own share in the establishment of the New York Public Utility Commission,

plainly indicated his intimate knowledge of the problems of utility regulation.

Especially significant were his dissents as Associate Justice. He refused to join in denying a wife the right to sue her husband for assaulting her. He concurred in several dissents of Justice Holmes, maintaining that a man charged with murder should be allowed to use in his own defense the confession of another man to the same murder, and urging reversal of the conviction of Frank, the Georgia Jew, who was tried under mob intimidation. In the Slocum case he opposed a narrow insistence on futile jury trials in civil cases. In the Copping case he considered it constitutional to forbid an employer to coerce an employee into an agreement not to belong to a labor union.

Shortly after Mr. Hughes returned to the Supreme Court as Chief Justice in February, 1930, Justice Sanford died. After the Senate had rejected the appointment of Judge Parker, the President nominated Owen J. Roberts, who took his seat in June, 1930. Although Mr. Roberts's legal associations and business directorships had connected him with some large corporations, his experience in teaching law and his work for law reform showed that he could not be classified as a man wholly satisfied with things as they are.

Let us now examine the decisions of the two new appointees, partly to see whether the court is beginning another period of development, and also to learn what kind of judges they are.

Chief Justice Hughes has written unanimous or majority opinions in forty-one cases, and has delivered two dissenting opinions. Speaking for the whole court, he expressed the right of Ohio to require Ohio courts to declare statutes valid under the State Constitution unless more than one judge considers them unconstitutional. He upheld the provision of the New York workmen's compensation act estab-

lishing a fund for rehabilitating injured persons, and the Louisiana law granting free school books to children in public and private schools. He refused hasty interference with State legislation encouraging farmers' co-operative cotton gins. He sustained the Louisiana gravity tax on oil and the application of the Federal income tax to profits from the sale of municipal bonds. His experience as Associate Justice with intrastate rates has been displayed in three opinions. In the only case concerning labor unions, he adjudged a railroad in contempt of court for trying to substitute a company union for the Brotherhood as representative of clerical employes in a wage controversy before the Federal Board of Mediation.

Justice Roberts has delivered twenty-two unanimous or majority opinions, and one dissenting opinion. His best known opinion thus far reversed Judge Clark's decision that the States did not properly ratify the Eighteenth Amendment.

The cases mentioned in this article form only a small part of the judicial work performed by the two latest members of the court. Besides numerous opinions on technical questions, each has devoted time to considering cases on which other justices wrote the opinions. Every justice reads all the elaborately documented requests to the Supreme Court to review decisions of State and lower courts. Last Winter 739 of these petitions for certiorari had to be read, of which about 580 were denied further consideration—a very burdensome labor although it attracts little public attention. In addition to all this, the Chief Justice is responsible for managing the work of the court; like his predecessor, he has been very successful in getting the docket cleared before the Summer vacation.

The cases in which the court divided tell more of its future trend than the unanimous decisions discussed above. Four divided cases during the Winter after Chief Justice

Hughes took his seat prolonged old controversies. He sided with the majority, while Justices Holmes, Brandeis and Stone continued the views they had expressed in previous dissents. The most important case invalidated inheritance taxes levied where a non-resident decedent kept his securities.

Since Justice Roberts joined the court there have been eighteen divided decisions. Ten of these seem significant for determining whether the court's attitude is changing.

The most important decision involving interstate commerce was *United States v. Chicago, Milwaukee & St. Paul Railroad*. The reorganization agreement required old stockholders who wanted new stock to deposit \$1.50 per share in a fund, which the managers were to use for paying their own fees and what fees they thought proper for lawyers and reorganization committees. The Interstate Commerce Commission, to prevent these fees from being excessive, ordered nothing to be paid without its authority from this fund, which amounted to \$3,500,000. The majority of five invalidated this order as outside the commission's powers. Justice Sutherland said that the reorganization managers and the participating stockholders ought to be free to make their own arrangements about fees. Three justices dissented—Holmes, Brandeis and Stone. Justice Stone considered that since the old stockholders had no choice except to pay the extra \$1.50 or be frozen out, they needed protection against excessive reorganization costs, which also injuriously affected interstate commerce by deterring investment in railroad securities. Of the two new appointees, Justice Roberts voted with the majority and the Chief Justice, having been counsel on the winning side, took no part in the case. It is still uncertain whether the case decides merely that Congress had not given the commission power to make such an order, or that Congress could

not constitutionally do so if it wished. The majority opinion seems to go the whole distance, but possibly a new statute expressly authorizing the commission to supervise reorganization fees would be upheld by the two new justices.

The validity of social legislation was considered in *O'Gorman v. Hartford Fire Insurance Company*. A New Jersey statute required every fire insurance company to give uniform commissions to all its local agents on the same class of insurance, and not to allow unreasonably high commissions. This statute was upheld, in the first "five to four" decision since the Chief Justice was appointed. The three justices, Holmes, Brandeis and Stone, who had dissented in several previous cases of regulatory statutes, now found themselves in the majority through the accession of the two new appointees. Justice Brandeis spoke for the majority and Justices Van Devanter, McReynolds, Sutherland and Butler dissented. This judicial alignment perhaps indicates a similar division of the court in future controversies about social legislation. However, the fact that for several years past insurance rates have been held subject to a considerable measure of legislative control, similar to the rates of public utility companies, makes it unsafe to predict the attitude of the two new justices toward regulations of other kinds of business.

Three of the six divided decisions on taxation demand attention. *Educational Films Company v. Ward* involved the possibility of reaching tax-exempt investments indirectly. Part of the income of a New York corporation consisted of royalties from United States copyrights upon motion picture films. These royalties, coming from a Federal source, were immune from a State income tax. However, New York imposed an annual franchise tax on the privilege of doing business as a corporation, and measured the value of this privilege

by the amount of the corporate income, including the royalties. In the Macallen case in 1929, a divided court had held that a similar Massachusetts tax could not include income from tax-exempt bonds in measuring the value of doing corporate business. Nevertheless, the Educational Films tax was held valid by six judges through Justice Stone, supported by Justices Holmes and Brandeis—the three were the minority in the Macallen case—Justice McReynolds, and the two new appointees. Justice Sutherland, with the concurrence of Justices Van Devanter and Butler, dissented. The Educational Films decision makes it less likely that corporate owners of tax-exempt bonds will hereafter obtain partial immunity from franchise taxes.

Coolidge v. Long denied the application of an inheritance tax law to property which subsequently came to beneficiaries under a trust created long before the law was enacted. Justice Butler delivered the opinion for the majority of five, including the Chief Justice, while Justice Roberts, supported by Justices Holmes, Brandeis and Stone, filed his first and thus far his only dissenting opinion.

The most famous tax case of the past year, *State Board v. Jackson*, sustained the Indiana license tax on chain stores. The majority, including the Chief Justice and Justice Roberts, who wrote the opinion, considered multiple stores under one ownership sufficiently different from large single stores to justify the higher tax. Justice Sutherland, with Justices Van Devanter, McReynolds and Butler, condemned the "clear and hostile discrimination" against chain stores.

The fact that all the five cases of last Winter on civil liberties had dissents illustrates the almost inevitable divergence of views on such matters. So important is individual liberty to the Chief Justice that he wrote the opinion on its behalf in every case, twice on the losing side.

Aldridge v. United States reversed the death sentence of a Negro whose lawyer had not been permitted to ask prospective jurors whether they would be influenced by racial prejudice. Justice McReynolds alone dissented from the Chief Justice's opinion that the question was proper.

The *Macintosh* case refused naturalization to a Canadian, formerly a chaplain at the front, who was willing to take the statutory oath to "support and defend the Constitution and laws of the United States against all enemies, foreign and domestic, and bear true faith and allegiance to the same," but was not willing to participate in a war unless he believed it morally justified. The majority, speaking through Justice Sutherland, included Justice Roberts, perhaps because he found no distinction from the earlier case of *Rosika Schwimmer*, although her opposition to war had no religious basis. The Chief Justice's dissent, supported by Justices Holmes, Brandeis and Stone, pointed out that the same oath is taken by Congressmen, Senators and Federal judges, who consequently seem disqualified if they have conscientious objections against fighting in every war. The court divided the same way in the similar case of *Miss Bland*, formerly an army nurse, who wanted to modify the naturalization oath by adding: "as far as my conscience as a Christian will allow."

In *Stromberg v. California* the Supreme Court for the first time declared a statute unconstitutional because it violated freedom of speech. Justice Roberts concurred in the majority opinion of the Chief Justice, reversing the conviction of the managers of a Communist children's camp, under the California red flag law. Justices McReynolds and Butler dissented.

The court in *Near v. Minnesota* held invalid a Minnesota statute allowing a prosecuting attorney to have a scandalous and defamatory news-

paper enjoined as a public nuisance. Justices Holmes and Brandeis, who had dissented in many past sedition cases, were now in a majority of five—in company with the three latest members of the court, Stone, Hughes and Roberts. The Chief Justice wrote the opinion condemning censorship. Justice Butler's dissenting opinion, in which Justices Van Devanter, McReynolds and Sutherland concurred, stated that the scandal sheet had abused the right of free press.

Several interesting features of the last term of the Supreme Court may be emphasized. First, there were six "five to four" decisions, an unusually large number. In all, Justices Van Devanter, McReynolds, Sutherland and Butler were on one side; Justices Holmes, Brandeis and Stone on the other. Consequently the two new appointees cast the deciding votes. In three cases both were with Holmes, Brandeis and Stone in the majority. In the two naturalization cases the Chief Justice was with them in the minority, but Justice Roberts joined the majority. In *Coolidge v. Long* the situation was reversed.

There has been a marked shift in the justices who most frequently dissent. Last Winter was the first for many years in which neither Holmes nor Brandeis wrote a dissenting opinion. Compare this with the 1927 term, when one wrote ten and the other nine. They did dissent but no more often than Justices Van Devanter, Sutherland and Butler; and they were far exceeded by Justice McReynolds, who dissented in twelve out of the eighteen divided decisions.

At least four important cases would probably have been decided differently if Chief Justice Taft and Justice Sanford were still on the court. Then, the regulation of insurance rates in New Jersey, the Educational Films tax and the chain store tax might have been held invalid and the Minnesota newspaper injunction law sustained. In a fifth case, involving the California

red-flag law, some of the justices who concurred with the majority were possibly persuaded in that direction by Chief Justice Hughes's arguments. The influence of such exceptional ability as his on the court does not necessarily stop with his own vote. Therefore some indications of a new trend in the court may be found in the past year. What can we infer for the future?

In the first place, the dissatisfaction of progressives with the court appears to be dying down. In the near future we are likely to hear less of proposals to limit its powers by constitutional amendment or otherwise. At the same time, persons who have been labeling the two new justices as "liberals" are likely to meet with some sharp disappointments. It is by no means certain that they will always vote with Justices Holmes and Brandeis. The Chief Justice is obviously less ready than they to modify a fairly well-settled doctrine of the court, even though not altogether acceptable to him. The position of Justice Roberts with the majority in the St. Paul case and the naturalization cases must be taken into account. Furthermore, there are several great regions of Federal law in which no important case has been decided since these two justices joined the court. For example, nothing in utility regulation has arisen of a highly controversial nature. Their probable attitude toward other administrative bodies, like the Radio Commission, is still to be determined. No case involving strikes or boycotts has occurred. The regulation of private business is exemplified

only by the O'Gorman case. In the bitterly fought field of prohibition nothing of importance has been decided since the Chief Justice took his seat—the reversal of Judge Clark was a foregone conclusion to everybody but a few unslaked enthusiasts. In those various fields we can only be sure that these two men will meet new problems with ability and open minds.

If President Hoover has more vacancies to fill, the precedents he has already set augur well for the strength of the court. Doubtless, both he and the Senate have profited from the debates on Hughes and Parker. While it is plain that no man can be confirmed unless reasonably free from reactionary antecedents, the now obvious baselessness of some of the objections raised against Hughes may make the Senate more thoughtful in considering future nominees. Probably Mr. Hoover will not appoint a justice because he is known as a liberal. And liberals in general ought not to regard this fact alone as a qualification for the Supreme Court. A man of mediocre abilities may have talked radically in the past, and yet will never progress beyond his present position, but will view all further innovations with suspicion. Moreover, the two new justices have proved that a judge does not necessarily decide in favor of large corporations because he has previously represented them. The Supreme Court needs—not men who can be labeled this or that—but men who have great legal ability, statesmanship and open minds, who are willing to be educated to fresh points of view in a changing world.

Issues in the Manchurian Crisis

I—Japanese and Russian Interests

By ARTHUR N. HOLCOMBE

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THE area which we call Manchuria looks small on the map, but if one looks closely its true proportions appear. Dairen, the chief port and southern terminal of the South Manchuria Railway, lies in about the same latitude as Baltimore or St. Louis. Mukden, the principal seat of government, is nearly three degrees to the north, that is, about on a line with Hartford, Conn., or Des Moines, Iowa. Harbin, the metropolis of Northern Manchuria, is further north than the Twin Cities in Minnesota. Its position is more comparable with that of Montreal. On the north, east and south, Manchuria is bounded by the territory of the Soviet Union, Korea, and the Yellow Sea, but on the west, where it merges into Mongolia, the actual boundary is obscure. Including Eastern Inner Mongolia, which is being absorbed gradually into Manchuria, the total area exceeds that of Missouri, Iowa, Minnesota, Nebraska and the Dakotas combined. The population is more than twice as great as that of these six American States; all current estimates place it above 25,000,000 and some above 30,000,000.

A generation ago Manchuria was largely an empty country, inhabited by the scattered bands of Mongols and by the remnants of the Manchu tribes which had conquered China in the middle of the seventeenth century and had neglected their own country thereafter. Today there are still a few Manchus in Manchuria and some

Mongols, but the bulk of the population consists of Chinese farmers who have migrated in large numbers from the adjoining provinces of Northern China, together with nearly 1,000,000 Koreans, several hundred thousand Japanese, a smaller number of Russians and a sprinkling of other foreigners. Dairen, the base of operations for the Japanese, is a handsome modern city of 200,000 or perhaps by now 250,000 inhabitants. Mukden, the old Manchu capital and leading Chinese city, is considerably larger, containing probably 300,000 or 400,000 inhabitants. Harbin, the centre of Russian influence, is also larger and rapidly growing. These cities, with the exception of the old part of Mukden within the ancient wall, are well built and thoroughly modern. They contain broad paved streets, efficient public services of all kinds, alert and enterprising business men and a vigorous and industrious laboring population.

The key to the problem of Manchuria is the system of transportation. The country is served by two main lines of railroad, the Chinese Eastern, which runs across Northern Manchuria from west to east, connecting Vladivostok and the Far Eastern Province of the Soviet Union with central Siberia and Russia, and the South Manchuria Railway, which leads from a branch of the Chinese Eastern south of Harbin to the Korean frontier and to warm water at Dairen. The former road was



MANCHURIA

built by the Russians, who still dominate its operations; the latter is owned and operated by the Japanese. There are also some new lines, built and operated by the Chinese; the most important encloses the South Manchuria road and limits the territory which it can profitably serve. In order that the Chinese lines may have a suitable terminal under Chinese control, the Chinese are building a new port at the head of the Gulf of Pechihli, which they hope will eventually rival Dairen and Vladivostok and enable them to keep Manchurian commerce in their own hands. There is also some traffic in Chinese vessels on the Manchurian rivers, especially the Sungari in Northern Manchuria, but most of the foreign commerce of Manchuria is handled by the Japanese and Russian roads and ports. The development of the country continues to be largely dependent upon the Japanese and Russian transportation systems.

The economic dependence of Manchuria upon modern methods of trans-

portation is the fundamental fact in the development of the country. This dependence is determined by climate and topography. The country is largely a land of level, fertile plains, bounded by two mountain ranges, one in the northwest and the other in the southeast. It has a continental climate resembling that of the American and Canadian northwest, but more extreme. Manchurian Summers are as hot as in the corresponding latitudes of Iowa, Minnesota, the Dakotas and Manitoba, but the Winters are much colder. The

rainfall, which is ample on the Manchurian plains for the cereal crops of the north temperate zone, and suffices on the windward slopes of the mountains for excellent timber, comes chiefly in the Summer. The long, cold Winter and the short Summer condemn the farmer to a limited range of crops. Hence, life in Manchuria, especially in North Manchuria, where the greater part of the grain-growing region lies, would be excessively hard and meager if the population had to subsist entirely off the soil and other local resources. For this reason the country remained largely empty under the Manchus; much of it indeed was maintained, nominally at least, as a game preserve for the imperial family.

The construction of railroads put an end to the dependence of the country upon its local resources, and the opening of foreign markets for Manchurian exports made Manchuria habitable for millions of grain growers. The introduction of the soya bean laid

the foundation for the diversification of industry and the accumulation of wealth. The country now has nearly thrice the population of the whole of Canada, and the opportunities for further expansion are enormous. As Manchuria may well support two or three times its present population in a state of high prosperity, it is one of the most promising, if not the most promising, of all the undeveloped lands remaining in the temperate zone.

The dependence of Manchurian prosperity upon rail transportation means that those who control the railroads have an important voice in the control of the country. Nominally Manchuria has been a part of China since the Manchu conquest of China in the middle of the seventeenth century. In fact it was neglected by its nominal owners until the close of the Russo-Japanese War in 1905. The ablest of the Manchus were constantly drained off in order to maintain the Manchu occupation of China, and the development of the country would have been impossible, even if the Manchu rulers had desired it, without the modern division of labor and the modern world market. The accidents of history gave the Russians and Japanese a foothold before the Chinese awoke to the possibility of the country. The Chinese farmers and workers who have rushed into Manchuria and Eastern Inner Mongolia in recent years have found there a political government in Chinese hands and an economic order largely dominated by Russian and Japanese interests. The Russian and Japanese interests have been further strengthened by special privileges of a political character, which make it impossible for them to keep out of Manchurian politics, while the weakness of Chinese politicians in Manchuria, especially during the recent civil wars, has made the actual distribution of power between Russians, Japanese and Chinese exceedingly uncertain and obscure.

Russian influence in Manchuria

concentrates on the Chinese Eastern Railway. This road stretches across Northern Manchuria from Manchuli on the Russian frontier in the northwest, to Pogradichnaya on the border of the Maritime Province in the northeast, a total distance of 925 miles. A branch from Harbin to the south, where it joins the Japanese-owned South Manchuria Railway, brings the total mileage above 1,000 miles. The Chinese Eastern Railway was built by Imperial Russia for reasons which have been repudiated by the government of the Soviet Union, but the present rulers of the former Russian Empire are no less devoted to their interests and those of their country, as they understand them, than their predecessors. Even as before the Russian revolution, the road is operated primarily in the Russian interest, and despite the fiction of joint management, Chinese capitalists and politicians are reluctant to base the development of Northern Manchuria upon a road which they cannot effectively control.

When the Communists first gained power in Russia, they offered to surrender the special privileges in Manchuria extorted from China by Imperial Russia, but the Chinese Government was not then ready to recognize the new government in Moscow. When recognition was finally granted in 1924 the Soviet authorities were no longer willing to surrender all their special privileges. Their determination to maintain them was attested by the military operations in 1929 when the Chinese authorities in North Manchuria tried to gain exclusive control of the railway. The American Government invoked the Kellogg pact, but the military operations did not cease until the Russians had attained their objectives. The Chinese are still unable effectively to control the road, which dominates the economic development of North Manchuria. They have, however, the right at any time to buy out the Russian interest

in the road at a fair price, and in any case the road will become theirs after twenty-five years.

Japanese influence in Manchuria is concerned with the South Manchuria Railway. This road has a mileage of 686 miles and is kept in a state of efficiency that is higher than that of any other road in Manchuria. Branch lines built by the Japanese for Chinese account and operated as feeders to the main line bring the total mileage of the Japanese-controlled system in South Manchuria above that of the Russian-controlled system in the north. In addition, the South Manchuria road has opened up coal mines and constructed steel plants in its territory; it maintains agricultural experiment stations and other services in aid of local agriculture and industry. It also has built and operates hospitals, schools and public utilities for the people in its employ and performs many of the services of government in the territory adjoining its right of way.

The Kwantung peninsula, on which its great terminal at Dairen is located, and a narrow strip of territory through which the railway runs, was originally acquired from China by the Russians during the course of the scramble for concessions which preceded the outbreak of the Boxer insurrection in 1900, and was held under a twenty-five-year lease. This lease was transferred to the Japanese in 1905 after the defeat of the Russians in the Russo-Japanese War. It was extended in 1915 for a total period of ninety-eight years as a part of the notorious twenty-one demands presented to China by Japan in that year. The validity of the lease has always been challenged by the Chinese on the ground that it was obtained under duress. Previously, according to the Japanese, the Chinese had also agreed not to build any railroads in Manchuria which would compete with the South Manchuria road. Although the Chinese question the validity, or

at least the Japanese interpretation, of this agreement also, the Japanese have not waived any of their claims. If the Japanese claims are maintained, effective control of South Manchuria by the Chinese is remote.

The domination of Manchuria by the Russian and Japanese railroads is being gradually limited by the construction of new lines under Chinese control. The Chinese discovered the military and political importance of rail transportation during the Russo-Japanese War and since then have granted no further concessions for foreign-owned and controlled lines in Manchuria. But they made little progress in the development of a system of rail transportation under their own control until after 1925. In that year an attempt by the Christian General, as he was then commonly called, and Generals associated with him to overthrow the late Manchurian dictator, Chang Tso-lin, was frustrated under circumstances which convinced the Chinese authorities at last of the necessity of railroads under direct Chinese control.

A system of lines, connecting the capitals of the Manchurian provinces, was planned to be operated independently of the Russian and Japanese lines. These new Chinese lines do not greatly affect the business of the Russian road in Northern Manchuria, but they constitute a serious threat to the Japanese South Manchuria Railway. Until the completion of the Chinese port of Hulutao, now under construction, the Chinese lines may continue to be dependent upon the Japanese for ocean terminals. Eventually they should destroy Japanese domination in South Manchuria, unless the Japanese can maintain their claim, based on the treaties of 1905 and 1915, to a railroad monopoly in the territory served by their road. The Chinese roads already in operation include about 1,800 miles of line out of a total mileage in Manchuria of about 3,700 miles. About a third of the Chinese mileage, however, consists

of lines built with Japanese capital and operated in connection with the South Manchuria Railway. The other Chinese lines are much inferior to the Japanese in quality of construction and efficiency of management, and the fulfillment of their promise as eventual liberators of Chinese industry in Manchuria from Japanese domination is dependent upon the adoption by the Chinese of much better methods of business administration than those hitherto generally employed by them, as well as upon the stabilization of their government.

The predominance of Japanese interests in the development of Manchuria is reflected by the figures of foreign trade. In 1929 the total foreign trade of Manchuria amounted in round numbers to \$540,000,000. Of this sum over \$216,000,000 consisted of trade with Japan; less than \$144,000,000 was accounted for by trade between Manchuria and other parts of China; the Soviet Union came third with somewhat more than \$36,000,000. Great Britain, the Netherlands and the United States followed, with Germany, Italy and other countries bringing up the rear. Of the foreign trade at the three leading Manchurian ports, 63 per cent was carried in Japanese bottoms, 12 per cent in Chinese bottoms, 11 per cent in British and 5 per cent in German bottoms. Only 3 per cent of the foreign trade was carried in vessels flying the American flag.

Japanese investments in Manchuria were estimated in 1930 at over \$830,000,000 or, including the value of property owned in Manchuria by the Japanese Government and by private individuals, subjects of Japan, and not used for business purposes, at a grand total of over \$1,000,000,000. The investments were headed by over \$350,000,000, credited to the properties of the South Manchuria Railway, and in addition over \$150,000,000 advanced by the railway company toward the construction of Chinese railways and other activities not under its direct

control. Other Japanese corporations had invested over \$200,000,000 in Manchurian enterprises.

The protection of Japanese investments and opportunities of trade in Manchuria is undoubtedly a matter of great importance to the maintenance of the prosperity of Japan. These facts underlie the Lansing-Ishii agreement of 1917, in which the United States recognized that "Japan has special interests in China, particularly in the part to which her possessions are contiguous," that is, in Manchuria. Because the political implications of this agreement were obscure and seemed likely to breed misunderstanding between the two governments, it was rescinded after the Washington conference of 1921-22. But the Japanese attitude toward its Manchurian interests presumably remains as before.

The Chinese position in Manchuria rests upon the legal fiction of political sovereignty and the solid fact of effective occupation. The idea of sovereignty is thoroughly Occidental. The traditional Chinese political system was in principle, like that of ancient Rome, a universal empire. The political unity of the Far East—exclusive of Japan—was the first principle of Far Eastern politics; instead of a theory of sovereignty there was a theory of the proper relations between the central and local authorities. This was a theory which admitted of great flexibility in the relations between the various parts of the Chinese Empire. The idea of sovereignty with all its rights and obligations was forced upon the Chinese by the Western powers to serve their own ends.

The Chinese have been slow to create a system of government capable of fulfilling the obligations of sovereignty in accordance with Western political principles. The sovereignty of the Nationalist Government of China in Manchuria, despite the efforts of the politicians at Nanking, continues to be not much more than a

legal fiction. But it is a fiction of which the Chinese politicians have made good use. As long as it is recognized by the foreign powers it goes far to offset the manifest weakness of the Chinese Government in Manchuria and to keep the door open for Chinese immigration and business enterprise.

The real foundation of Chinese influence in Manchuria, however, is the actual settlement of the country by the Chinese people. The small farmers and ordinary laborers of Manchuria are almost all Chinese. Even in the territory under Japanese control, where Japanese labor is in a more favorable position, more than 93 per cent of the agricultural labor, more than 70 per cent of the fishermen, 96 per cent of the miners and 88 per cent of the factory workers are Chinese, according to a recent Japanese report. In the contest for ultimate control of Manchuria, the high social capacity of the Chinese population affords substantial compensation for the political ineffectiveness of the Manchurian Government.

Chinese policy in Manchuria has been directed in recent years toward the recovery of complete control from the Russians and Japanese. When circumstances permitted, these powers were played off against one another. As long ago as 1896 a secret alliance was formed with Russia against the Japanese, but the price of Russian aid proved too high and eight years later the Russians were left to fight their own battles in the war with Japan.

In 1918 some Chinese politicians were disposed to accept the aid of the Japanese in order to turn to account the preoccupation of the Western powers with the World War. But the price of Japanese aid also proved too high, as did that of Russia, when invited a second time in accordance with the provisions of the entente between Moscow and Canton. When it has been impossible to play off the Russians and Japanese against one another, Chinese diplomacy has attempted to check the aggressiveness of its two closest neighbors by courting the remoter powers. Since the adoption of the Kellogg pact the Chinese diplomats have had two strings to their bow. They can appeal to Washington in case of a threatened resort to war by their powerful neighbors or they can appeal to Geneva for the protection of their rights under the covenant of the League. Whatever may be thought of these two attempts to organize the world for peace, the effect of the League covenant and of the Kellogg pact is to involve the Western powers, including the United States, in the struggle for the mastery of Manchuria. These powers may refuse to be drawn into the struggle, but they can do so only at the cost of a grievous impairment of the prestige of Western diplomacy and of the institutions which it has created to maintain the peace of the world. [For the latest developments in the Manchurian situation, see the "Month's World History" section of this magazine].

II—Weakness of Chinese Control

By ALBERT BUSHNELL HART

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THE general public the world over believes that Manchuria is a part of China and therefore occupancy by any other nation is an act of war. Manchuria must be Chinese because the emperors of China

for more than 250 years were Manchus until the abandonment of the imperial form of government in 1912.

Actually the Manchus were never Chinese; for ages they were the most dreaded enemies of China. The great

Chinese Wall, which starts at Chin Wang Tau, not far from Port Arthur, and runs westward for 2,000 miles, was built as a defense against the dreaded cavalry of the Manchurians. In 1644 the Ming dynasty of the vast empire of China was overthrown by the Manchus, who placed a Manchu prince on the throne of China. Yet at the fall of the empire in 1912 the Manchus were still a foreign race. Manchuria remained a separate land, in which Chinese were not allowed to settle without special permission.

The phenomenal situation of Manchuria was aggravated by the war on Manchurian soil between the Russians and the Japanese in 1904-05. Why was Manchuria the field of battle? Simply because the Russians desired an all-year-round port on the Pacific. They were determined to have a shortcut through Manchuria to strengthen their hold on Port Arthur. The immediate result of that terrible campaign was that a good part of the native population in Manchuria disappeared, making its way south or dying on the road. At the peace conference which followed, Korea became Japanese, and Japan's traffic rights across Manchuria were acknowledged by the Russians.

The writer met in Japan in 1909 a Japanese landed proprietor whose plantations were in Manchuria, because land was available and labor cheap. Ever since that time the Japanese have made attempts to push into Manchuria. Behind the present conflict between Japan and China stands the continued rivalry between the Japanese and the Russians. A glance at the map shows how dangerous and eventually how fatal it would be if the Russians should establish their hold on the coast just across the Sea of Japan from the great Japanese islands. Manchuria lies to the east of the great desert and mountain region of Northeastern Asia and hence is a battlefield between Asia and Europe for control of the natural line of communication between Western Europe

at Leningrad and Eastern Asia at Tokyo.

Of the three nations interested in that comparatively small corner of the earth's surface, China is at present paralyzed. The Chinese, ages ago, were great conquerors, controlling Tibet and the easterly line of the trade route which Marco Polo followed from Venice to the Pacific—a prodigious, swarming population of great national intelligence and capacity for education.

The life of the late Chinese Empire was somewhat prolonged by the building of a railway from Peiping to Hankow, on the Yangtsekiang; it might have weathered the storm had that railroad been continued southward to Canton. In 1909 the writer was informed that it was impossible to complete the railway because no sufficient military force could be raised to prevent the brigands from stealing the ties and rails. A railway as important to China as is the Pennsylvania Railroad to the United States has not been built, because China still has not the physical force to protect its property. Certainly that country is in no condition to enforce claims on Manchuria.

In the richest part of the empire, the tract from the Yellow Sea to the South China Sea, a region of great fertility, abundant water supply, supporting a population of perhaps 100,000,000, there is not a single automobile highway a hundred miles long. That is why, no matter how strong a Chinese General appears to be in troops, he is not able to feed them or to penetrate into remote rebellious regions or to secure the necessary sinews of war.

The plea for the abolition of the treaty rights of extraterritoriality and freedom of trade by foreigners in China would be reasonable enough if there were in China such a thing as a permanent government of a sovereign nation. No European country would ever allow such privileges to any but an absolute conqueror. Any

one who has ever sat in a Chinese court as a spectator knows the difficulty in securing anything resembling what we call judicial process. Certainly China is in no condition to resist by force of arms an invading army from Russia coming across Asia and detrainin in Manchuria. Nor can it be believed that the desire of the Russians to make their calling and election sure on the direct rail route from Siberia to the Pacific Ocean is in the least diminished since their defeat at Mukden in 1905. The Russian bear is just as hungry as ever and, like rumor, grows by what he feeds on.

The third party in this Eastern Asiatic rivalry which seeks to establish territorial adjustments that will last indefinitely is Japan, the only Asiatic race which has accepted the arts and military science of the Western world. The Japanese never invited people to teach them how to become a world power. They would have sent Commodore Perry packing but for their conviction that he had the physical power to sink their ships and compel a treaty. When their hand was forced, they adopted the economic and military system of the West. Elaborate fortifications, a trained army operating with modern guns, modern transport and modern munitions make

Japan today a great military power. The Japanese are established on the mainland in Korea, flanking the Russian railroad to Vladivostok. They will never let go of Manchuria. What European nation would join with Russia in an attempt to oust them?

Soviet Russia's desire to establish itself as a power on the Pacific is very like the spirit of the American statesmen from 1803 to 1848 in occupying the Pacific Coast—a region which in George Washington's mind seemed a thing of significance to the people of the United States. What process of world peace or world war can prevent that eastward urge? For however bleak the northeastern coast of Asia, it has room for millions of inhabitants, who can live upon the soil.

Peace, concord, unity, the settlement of the terrific strains of Western Europe—how deeply we are interested in those things! When a few thousand Japanese and fewer thousand Chinese troops engage in a brush on the other side of the world, the United States finds that war in Eastern Asia may involve Americans. Is it not possible for some kind of international co-operation which will remove these strains on the ambitions and resources, the manhood and the continued existence of the nations of the world?

Conflicting Standpoints of the Two Americas

By HENRY KITTREDGE NORTON

[Mr. Norton, well known as a student of South American affairs, has recently returned from a five months' visit to Peru, Bolivia, Chile, Argentina, Uruguay, Paraguay and Brazil on behalf of the Carnegie Endowment for International Peace.]

IT is not necessary to travel far on the South American continent to lose all vestiges of confidence in the easy generalizations about what "Latin America" thinks of the United States. Those favorite phrases of the controversial literature on the subject, "the applause of all Latin America" and "the resentment of all Latin America," imply a wholesale opinion which simply does not exist. The larger countries of South America are particularly conscious of themselves as separate entities, and each instinctively and vigorously resists any attempt to blur its identity by inclusion with its neighbors in some arbitrary classification. It is no more possible to summarize the opinion of these highly individual nations than it is to summarize the opinion of the United States, Canada, Mexico and Cuba, and call it "the opinion of North America." The Andes between Chile and Argentina and the few hundred miles of southern sea between Montevideo and Rio de Janeiro are sharp dividing lines in attitudes toward the great Republic of the North, and the lesser States have their own good reasons for distinctive reactions.

There is, however, one factor which seems to give substance to the concept of a "Latin-American" opinion

as opposed to that of the separate republics, and to that of the various political and social groups within each of the republics. There is an extremely active and highly articulate coterie in South America whose members, with becoming modesty, answer to the designation of "intellectuals." These organize themselves and such others as they can persuade to join them into leagues and unions to which they give names of hemispherical import. There is the Unión Latino Americana, with headquarters in Buenos Aires; the Alianza Continental, which formerly functioned under the wing of the Soviet trading organization in the Argentine, and the Asociación Popular Revolucionaria Americana, which, under the title of APRA, is very active in Peru.

It is a common practice among the conservative elements in South America to characterize these organizations and those who manage them as "Communist," and it is frequently asserted that they are financially supported by Moscow. It is hardly likely that they are receiving any great amount of Russian gold, and it is probable that any expert in communistic theory would be able to find flaws in their doctrine. Some of the members boldly announce their adhesion to the Russian principles. "We are with Russia and more advanced than Russia," cries one in a recent number of *Reforma Universitaria*. Others vehemently disclaim all association with the radicals of Moscow. The fact



SOUTH AMERICA

remains, however, that these groups, whatever minor discriminations they may make as to their exact positions, are all indoctrinated with a radical philosophy which finds little to praise in the world as it exists and fills them with exaltation at the prospect of an imaginary world in which they will be in control and thus able to avoid the manifold evils of our present life.

For the spokesmen of the Unión Latino Americana and its sympathetic associations, as for the dwellers in the Kremlin, the United States is the head and front of the capitalist world of today. In order to afford as striking a contrast as possible with their beneficent world, it is deemed desirable roundly to condemn every aspect of life in the United States. Washington, in this distorted presentation, is preparing "a colossal political empire with vistas of universal hegemony."

"The wealth and power of the United States are the direct result of the pain and enslavement of many peoples." "America for the Americans' means nothing else than 'America—our Latin America—for the North Americans.'" "The famous Monroe Doctrine * * * has gradually revealed itself as a reservation of the North American right to protect us and to intervene among us." This equivocal doctrine, "which has never succeeded in preventing European interventions," furnishes an "habitual pretext" for the military occupation of neighboring nations. Nor are the more distant nations safe; already the "voracious tentacles" are extending down both the Atlantic and the Pacific, and "we shall be blind if we do not see that the countries of the South are in the first phase of conquest."

There is a continuous stream of such irresponsible magniloquence from the leaders of the radical organizations of South America. Under the guise of serving humanity and fostering international friendship, they sow each day new seed of misunderstanding, suspicion and distrust. That this husbandry produces some harvest is hardly to be doubted. Domestically, to be sure, it is strictly limited, on the one side by the ignorance and lack of interest of the masses of their fellow-countrymen, and on the other by the amused tolerance of the thinking and responsible parts of their communities. Abroad, however, and particularly in our own country, it enjoys a fortuitous amplification of importance. Our own unleashed critics, whose sayings the South American radicals love to quote to our undoing, are quick to return the courtesy and quote their quoters to us as the "voice of Latin America." This mutual admiration would be harmless if it did not tend to increase the distance between the great majority of thinking people here and those in the republics to the south of us.

Hard at work attempting to overcome the evil effects of this activity

is a small but influential group in each of the South American countries. It is made up in part of those whose personal fortunes are linked with North American business concerns, but its real vitality comes from its disinterested members, consisting for the most part of men and women who have spent some length of time in the United States. It is a significant and encouraging fact that almost without exception the South Americans who have any real acquaintance with this country and its people and institutions are frankly and whole-heartedly appreciative. They have their criticisms, and they do not hesitate to give voice to them, but these criticisms are usually just and frequently constructive. The two outstanding centres of this amicable spirit in South America are the Instituto Pedagógico, or Teachers College, of the University of Chile, whose director is a world traveler and observer and insists upon giving the United States its due, and the Instituto Cultural Argentino Norteamericano in Buenos Aires, founded by Argentinians whose actual experience has shown them that North American culture exists and has something of value for South America.

We may be highly appreciative of such institutions, but it would be misleading to accept the sincere friendship of their members as any more truly "the opinion of Latin America" than the maledictions of the indefatigable detractors. Popular sentiment in the countries of South America, as in every other part of the world, is largely rationalized self-interest. If we eliminate the radical internationalists on the one hand and the outspoken friends of the United States on the other, we shall find in each country a trend of public opinion motivated largely by the real or imagined benefits which may accrue to the leaders of that opinion. There will, of course, be wide variations even in this area, but there has been sufficient mass reaction in each country to be distinguished as a national attitude.

These national attitudes are much more substantial and infinitely more significant than anything purporting to be "the opinion of Latin America."

Peru, for instance, has been one of the traditional "friends" of the United States in South America. The sentimental attachment probably owes its origin to her need of a friend during the dark days of the War of the Pacific. Even before Chile won that struggle and took Tarapacá, Arica and Tacna from Peru, Secretary of State Blaine had attempted to open a way for American mediation to avert the loss of territory. This action strongly appealed to the Peruvians and their gratitude was reinforced by the anticipation of trouble with Chile over the plebiscite which was ultimately to determine the ownership of Tacna and Arica, an apprehension which suggested the desirability of American friendship during those proceedings. This compound of sentiment and interest continued to inspire Peru until the final breakdown in 1928 of the arrangements for a plebiscite under an American referee. Disappointment over this outcome was not modified either by Secretary Kellogg's proposal that the two provinces be sold to Bolivia or by the final necessity of accepting a compromise arrived at in direct negotiation with Chile.

There was already a rift in the traditional friendship, therefore, when the revolution of 1930 put an end to the eleven years' dictatorship of Augusto Leguía. During that régime American bankers had lent Peru tens of millions of dollars. With the fall of Leguía, it was freely charged that less than half this money had been used for national purposes and that the rest had found its way into the pockets of Leguía's favored supporters. Even though the service on Peru's foreign loans has been suspended for the time being, it hangs over the nation's credit, and in the gloom of a world depression the Peruvians identify American financial interests with the Leguía régime and dislike them

accordingly. This dislike is apt to be both broadened and intensified each time a Peruvian has to pay taxes to meet the debt service after it is resumed. When we note that the present quotations for Peruvian bonds give them a value about \$70,000,000 less than the American investor paid for them, we can realize what a high price we have paid for Peruvian ill-will.

Similar figures can be cited for Bolivia, where American investors have bought some \$60,000,000 worth of government bonds only to see their value shrink to about a tenth of that sum. This should dispose of the charge that American bankers have "enslaved" Bolivia. If they attempted to do so, they evidently failed. Nevertheless, there is a parallel between the case of Bolivia and that of Peru. Despite provision for permanent fiscal commissions and other means of control, the actual expenditure of the sums lent was none too carefully safeguarded. The actual service of the loans was not to come from their constructive use, but from the income of Bolivian tin production. When profits from tin suddenly dropped to the vanishing point, the loan service came to an abrupt end.

Yet the same chain of circumstance has not produced the same reaction to the United States as in Peru. This is because of the curious social organization of Bolivia. The number of participants in the political and intellectual life of the country is extremely small. For the most part they fall into three groups. The government and its supporters do not care to criticize the United States, first because they would rather have our sympathy than otherwise in the Chaco controversy with Paraguay, and second because of a half-defined hope that perhaps they may in some way be able to borrow more money here. Those who were thrown out by the revolution are in no position to complain of the loans, because they spent most of the money. The third

group, potentially in opposition, is led by the man who signed the first big loan contract. The attitude of Bolivians toward the United States is therefore predominantly uncritical.

Another special situation exists in Paraguay, which has had so little to do with the United States that it is spontaneously friendly toward us. Here are no questions of trade or tariffs or loans to disturb the amity of our relations. Paraguay has but one fear—that because American bankers have lent millions of dollars to Bolivia, the American Government may be inclined to favor Bolivia at the expense of Paraguay in the Chaco dispute. The natural Paraguayan reaction is therefore to be very friendly toward the United States in order to offset the advantage Bolivia supposedly has in her borrowed millions. Such is the irony of international attitudes.

In Chile we find a country which is on the whole neutral in her attitude toward us in spite of repeated provocations which might well have resulted in antipathy. From the beginning of Chile's national life our government has pressed claims against that country with exceptional vigor and success. Secretary Blaine's efforts on behalf of Peru during the War of the Pacific were resented in Chile, and so were the repeated gestures of friendship for José de Balmaceda during the civil war of 1891, which resulted in the defeat and suicide of that aspirant to dictatorship. Then came the Baltimore incident, in which some American sailors had a fight in a Valparaiso saloon and one of them was killed. It cost Chile an indemnity of \$75,000 to avoid war over a drunken brawl. There followed other claims until the days of the World War, when Chile was severely criticized in this country because of her insistence upon remaining neutral. Notwithstanding this, the Chilean Government agreed to submit the Tacna-Arica affair to the arbitration of the President of

the United States in 1922. The strictures of General Lassiter when the plebiscite was finally abandoned again offended Chilean sensibilities.

Notwithstanding all this, and also the readiness of some of our foreign competitors to remind the Chileans of their national humiliations at our hands, the general Chilean attitude toward the United States is one of respect and even regard. On such an occasion as our national birthday the press of Chile is effusively congratulatory. American capital and its representatives are accepted as a force working for the mutual benefit of the two peoples. The Chilean people are proud of what they have accomplished; they have no fear of encroachment by the United States; they realize that they and we are the only American powers in the Pacific, and they are willing to accept their share of that responsibility without feeling jealous that our share is larger than theirs.

The material development of Argentina has so far surpassed that of her sister republics of South America that she comprises within her own borders nearly one-half of the total economic power of the continent. Only the United States surpasses her in this hemisphere. But for our predominance, Argentina would be the unquestioned leader of the Western world. Neither Spanish pride nor Italian lyricism easily brooks a superior, and Argentine psychology includes large measures of each. Argentina is not content to stand with dignified reserve upon her own individuality. She seems nervously impelled to push herself forward on all occasions as a rival of the United States. As the material balance is so obviously and so heavily weighted against her, she tends to press her claims to a cultural and spiritual superiority. Almost everything which the United States does is subjected at once to biting and scornful criticism. Our Caribbean actions are imperialistic; our Monroe Doctrine is inad-

missible; our tariff is impossible; our foreign policy is selfish; and even such gestures as the war-debt moratorium, which all the world applauds, are but grudgingly approved.

While this unrelenting antipathy is still the most widespread of the Argentine attitudes toward the United States, it is obviously in a state of transition. Its corollary is the assumed superiority of European to North American civilization. The younger Argentine generation, disillusioned by the World War and the post-war years, seriously questions the corollary and is thus inclined to question the validity of an adverse judgment upon the United States. Except for the fringe which has abandoned itself completely to sympathy with Soviet radicalism, the thinkers of the newer generation are examining the culture of the United States with much more open minds and a larger capacity for appreciation. If these young men and women are met half way, the probability is that the next couple of decades may see as much sympathy between their country and ours as there has been antipathy during the two last.

British trade has been openly accused of responsibility for Argentine antipathy toward the United States. Certainly, relations between the two Anglo-Saxon groups in Buenos Aires have none of the cordiality which adds to the pleasure of life in all the neighboring capitals. The slogan "Buy from those who buy from us" is admittedly of British origin. It is, for example, conspicuous by its absence in Brazil, where we buy vastly more than we sell and where the British sell much more than they buy. But Argentines are beginning to ask why they should buy from Great Britain products which the British Dominions and even Great Britain herself find it profitable to buy from the United States. The efforts of individual Britishers to hold their commercial position in such cir-

cumstances are proving to be of little avail.

Uruguay, a small State between two vast empires, is faced with the problem of maintaining her own individuality. If she is ordinarily hostile to the United States, she may be suspected of merely following Argentina's example. If she is friendly to us, it may be concluded that she is tied to the tail of the Brazilian kite. Whatever the mental process involved, there is more unreasoning and unreasonable criticism of the United States to be heard in Montevideo than in any of the neighboring capitals, but not in government circles, where the attitude is not only correct but even cordial. Even among individuals it is hard to find a man who openly criticizes us and our ways. But there is not the slightest difficulty of finding leaders in all fields who will relate at length and with gusto hostile criticisms of America by their fellow-countrymen while assuring the American hearer that they themselves would never harbor such unjust opinions.

In Brazil an American is wholly at ease with the people he meets. In the Spanish-speaking countries, even in the midst of overwhelming courtesies and hospitality, one is constantly on guard lest one say something that will offend. One is under a constant urge to say something complimentary, something which will appease one knows not quite what. It is like talking to a supersensitive lady who not only has a keen ear for anything that might be interpreted as a slight but who finds herself slighted if in every other sentence there is not a thinly veiled compliment to her beauty, her virtue or her intelligence. In Brazil there is none of this. The Brazilians are straightforward, frank, tolerant folk. They have their own virtues and their own shortcomings. They make no particular boast of the former and no apology for the latter. They expect others to have both

merits and faults. They are quick to recognize the former and readily overlook the latter. Their mental attitude is wholesome and engagingly mature.

Friendliness toward the United States is inherent in the Brazilian attitude toward life in general. There is the frankest admiration for what we have accomplished and what we are in process of accomplishing. There is unaffected and wholly spontaneous criticism of what are considered our unlovely traits. But the admiration far outweighs the criticism, and the latter contains not the slightest trace of emotional antipathy. Even our prohibition of the sale of arms to the political party which now rules the country has left no bitterness.

The Monroe Doctrine and our Caribbean policy do not bulk nearly as large from the South as they do from the North. We have become supersensitive on these topics, and every random fling at us which appears in the Spanish press is hurriedly cabled to New York as if it were of infinite significance. In its own country it is more than likely to pass unnoticed. We are criticized—and severely—in regard to both the Monroe Doctrine and our Caribbean policy. But 90 per cent of such criticism comes from those who would find some other complaint if that one were taken from them. The great majority of the people of Chile, Argentina, Uruguay and Brazil have only the most academic interest in the countries of the Caribbean. What we do there is of no practical concern to them and they will not allow themselves to become unduly agitated about it. The peoples of these great nations of the South are strikingly like other peoples; they are primarily interested in their own satisfactions. Their attitude toward us is now determined, and always will be, by their immediate individual interests and not by any quixotic concern for a non-existent Latin America.

The Rise of the Chain Store

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THE future historian of the present decade will probably dwell long on the radical change, instability and deep confusion that characterize these years. Many of our national idols are breaking down; our traditional insistence on competition among railroads, among public utilities, among industrial corporations is fading, as its unwisdom and impracticability are proved by experience; our vaunted system of 30,000 independent unit banks has been shocked by the failure of 8,000 banks and the creation of 3,500 branches and chain banks. Our agriculture, along with bituminous coal, rubber, textiles and other basic industries, has suffered chronic invalidism. The intensity of disorder in business and industry has been heightened by the "rationalization" of production and distribution, subjecting the accustomed ways of doing things to the cold test of science and changing them to meet the demands of efficiency. Probably the most outstanding example of this transformation is the invasion of the chain store into the orthodox system of distribution, from-manufacturer-to-jobber-to-retailer-to-consumer. It has brought a confusion of relationships, trampling with abandon on the vested interests which centuries of practice had created and therefore rousing hot controversy in press and speech and legislative hall.

The oldest chain-store system now existing in the United States is the Great Atlantic and Pacific Tea Company, founded in 1858. A considerable number of chains were started in the

1880s and 1890s and in the first decade of the twentieth century, but the chain era really belongs to the two decades just passed. There is an important lack of historical data on this development. In 1914 *Printers' Ink* in an elaborate investigation of the chain store situation of that day showed the existence of 2,030 chains with 23,893 units. By 1930 there were 7,837 chains with 198,145 units. The figures for 1914 are only approximations, but are suitable at least for a comparison with the present situation.

The figures now being made available by the 1930 Census of Distribution give a clear picture of retail selling in the United States and the part played by the chain stores. In a total of retail business in the United States amounting to \$53,207,000,000 retail stores accounted for 94 per cent of the business, or \$50,034,000,000. This amount was divided among 1,549,168 stores, which varied from general food stores to houses concerned wholly with furniture selling.

At the present time the complete figures of the United States Census of Distribution are not available for a detailed comparison between the sales of all retail stores and the various types of chains. Some impression of the situation may be gained, however, from the published data relative to food sales. Of 155 cities with a total population of 19,360,952, chain stores accounted for 30.12 per cent of all sales of foodstuffs, or \$765,402,445 in a total of \$2,540,856,768. Although chain stores constitute but 15.5 per cent of all retail food stores

in the United States, their sales per store are so much larger than that of independent stores that the ratio of total chain sales to total retail sales for the country as a whole is probably nearer the 30.12 per cent than the 15.5 per cent. In larger cities—cities of 30,000 or over—where the chains are most numerous, surveys show that chains do approximately 47.97 per cent of all sales by grocery and combination stores.

The relative influence of chains on retail distribution is affected by the geographical extent to which they operate—whether local, sectional or national. A study made of 485 American cities of more than 10,000 population discloses that local chains account for 19.44 per cent of the total retail sales in these cities, while sectional and national chains together have 16.90 per cent of the total sales.

Some of the most frequent and severe attacks on the chain store rest on absentee ownership by distant national and sectional chain organizations; actually such chains enjoy only about one-sixth of the retail sales, even in the cities where chains are most numerous. Moreover, chain sales decline in importance in large cities, in part, probably, because of the out-of-town customers of department stores and because of the multiplication of catering specialty shops. In most of the cities local chains do more selling than do sectional and national chains; but in the country and the smaller cities and towns, too small to support many if any local multi-units, the sectional and national chains do a bigger trade, and opposition to chain stores on the basis of absenteeism may be more justifiable.

Among writers and in the trade no agreement is found as to what constitutes a chain. Definition should not refer only to the number of stores operated or the fact of common ownership. Faced with the confusing terminology that exists, the United States Census Bureau has adopted a six-fold classification: (1) Indepen-

dent stores are those owned and operated by a proprietor, partner, or local company; (2) local branch systems are subsidiary or suburban stores operated in the same city by a large downtown store and drawing their merchandise largely from the downtown store's stocks; (3) the local chain is a group of stores operated throughout a city or trade area by local and independent operators from a central office and warehouse, but without any main central retail store as the source of supply; (4) the national chain includes those large organizations which operate stores throughout the country or a considerable section of it—whose interests are not confined to any one community; (5) the ownership group is comprised of a group of entirely independently operated stores owned by the same firm but merchandised separately; and (6) the cooperative chain is a group of independently owned stores that cooperate in their buying, or cooperate with a wholesale company in their merchandising. The more popular name for this sixth group is "voluntary chain."

This matter of definition of chain is highly important in the discussion of the public advantage or disadvantage of chain stores, for there is a disposition to lump them all together, parade these consolidated figures and thereby create unwarranted apprehensions of their "menace." So far as the community is concerned, both the branch and local chain stores are independents, truly home folk, with what advantage or disadvantage that may imply. The method of merchandising and the place where the decisions as to buying and policies are made, constitute the significant difference between local stores and national chains. Furthermore, the attack on the national, ownership and cooperative chains should take cognizance of their essential differences, because cooperatives are independent, locally owned stores and the ownership type is independently operated.

In some of the criticisms of the chain store it is also pertinent to consider the number of stores in the chain. The United States Census of Distribution establishes no minimum number of stores as constituting a chain; in the tabulations of the Commercial Research Company of New York, five or more units constitute a chain, and in those of the National Association of Real Estate Boards three or more stores are reported as a chain. According to the preliminary United States Census compilation of the 7,083 retail chains operating in the country, 3,177 have less than six stores each, 1,998 have from six to ten each, 1,176 from eleven to twenty-five each, 395 from twenty-six to fifty units, and 337 operate more than fifty stores each. The National Association of Real Estate Boards in their 1930 edition of "Chain Store Headquarters" lists (as of Feb. 1, 1930) 9,785 merchandising and service chains, distributed in forty-one different lines of business. Of these, 47.8 per cent have but three stores, 82.0 per cent have ten or less, and 92.1 per cent have twenty-five or less. Obviously these chains are local or their stores are so dispersed that their "menace" as monopolistic competitive factors in distribution is minimized.

The invasion by the chain store of the field traditionally filled by the independent, locally owned and privately merchandised store, an invasion so marked between 1926 and 1929, rested in part upon economy in distribution costs. Unfortunately, there are no complete cost studies exactly comparable in the chain-store system and the jobber-dealer system of distributing goods. The nearest approach that can be made with the material at hand is a patchwork of different studies. The cost of grocery retailing by independent stores in the United States was studied by the Harvard Bureau of Economic Research in 1924, and of grocery wholesaling in 1923; a similar retail grocery study was made

by the University of Nebraska for independent stores of that State in 1929 and by Ohio State University for grocery wholesaling in Ohio in 1929; the Harvard Bureau recently reported on a study of costs of centrally owned grocery chains for 1929.

The Nebraska report found the retail gross margin was 18.5 per cent of net sales; the Ohio report gives the wholesaler's gross margin as 11.86 per cent of his sales, a figure which when reduced to a percentage of retailers' net sales is 9.7 per cent. The combined gross margins of wholesaler and retailer are 28.2 per cent; the chain-grocery systems averaged 19.4 per cent—a difference of 8.8 per cent which "represents the difference in spread between the two channels of distribution, to the extent that the figures involved can be accepted as representative. So far as this comparison is valid, it means that chain-grocery companies in 1929, to cover their costs of doing business and their profits, took out of the consumer's dollar approximately 8.8 cents less than did wholesale and retail grocers together."

If we consider the twenty-one largest chain grocery concerns studied and selling over \$5,000,000 each year, the spread is reduced to 7.7 per cent, since their average gross margin was 20.5. Furthermore, if one considers only that part of the gross margin required to cover the expenses of doing business—the total expense before interest (following the Ohio University computation)—the typical expense of the chain grocers in 1929 was 17.45 per cent and for the Nebraska retailers and Ohio wholesalers 24.12 per cent—a typical difference of 6.67 per cent.

Four studies have been made of the degree to which chain stores pass their economies on to consumers in the form of lower prices. The general conclusion of a study made by Professor Ralph Alexander of Columbia University of retail grocery prices in ten neighborhoods of New York City

in 1929 was that the "survey seems to indicate that for the products included, and among the stores from which he obtained price quotations, neither chains nor independents have any material advantage." The similar study by Professor Malcolm D. Taylor of the University of North Carolina for Durham, N. C., covered sixty nationally advertised staples and found chain prices $13\frac{3}{4}$ per cent cheaper than prices in independent groceries. When Professor James L. Palmer studied comparatively the price of chain and independent stores in Chicago he concluded that the saving to consumers by buying at chains approximates 10 per cent. On the seventy-five items covered by the survey, the chains were underselling cash-and-carry independents by between 9 and 10 per cent, and were underselling service independents by between 11 and 12 per cent. Professor Paul D. Converse found the prices charged in the chain and independent stores of Champaign-Urbana, Ill., varied according to the following index:

All stores	100
Independent stores:	
Downtown service	102.9
Neighborhood service	99.7
Cash-carry	93.4
Chains:	
Near-chains	101.1
National and sectional cash-carry..	89.5
All	91.6

Since the chains cut the cost of getting goods from producer to consumers by such margins, every one concerned is vitally affected. The consumer's cost of living is reduced. The independent dealer faces extinction unless he changes his store and stock and goes into catering, or unless he modernizes his store and practices along the lines of chain-store operation and thus meets the chain store half-way. He may, however, join with other independents forming a dealer-buying syndicate or cooperative chain, or pool interests with his jobber and become a member of the wholesaler-retailer cooperative chain.

The manufacturer may come to his defense and give him service and favors sufficient to equalize his position. The jobber's existence is menaced still more than the independent retailer's. To save himself he must modernize his system and compete tooth and nail, or else give his dealers such education and service as will enable them to withstand the chain store. He may even establish a co-operative chain with his dealers.

Manufacturers will find their markets closing if prices are too high or their services too limited. They must decide whether to sell only through jobbers and independent dealers, to try to sell to these and to chains at the same time, or to sell to chains alone. Obviously while chains are fast invading a manufacturer's line his customers will be in turmoil, for if the big buying chain is allowed price and service better than or even comparable to that given the wholesaler, the latter can scarcely survive. Moreover, if the chain uses his nationally advertised brand as a leader and cuts prices to or below costs, the independent dealers cannot afford to carry it and will turn to another brand on which profit margins still obtain. The chain may also adopt brands of its own and either manufacture them itself or persuade some manufacturer to make them for the chain; the chain will then push its own brands and substitute them for those of the manufacturer at every turn. In this difficult position the manufacturer may multiply his advertising appropriations to create such consumer acceptance as will force both chains and independents to stock his brands. He may associate or merge his company with other manufacturers of national brands and put himself in a position to resist any demands made by chain buyers for concessions in price or service. He may initiate such an abundant dealer education and help that his customers can match the chain's best efforts; or he may launch and operate a chain

of retail stores of his own and dispense with sales to any one but consumers.

There are still other methods which the independent dealer, the jobber, and the manufacturer may adopt in solving their respective market problems. The general program adopted by all opponents of chain operation is the stifling of chain competition. This is done by the adoption by trade associations of lists of so-called "regular dealers" and "regular jobbers" and requiring manufacturers to sell to these "regular jobbers" alone under threat of boycott. This scheme has generally failed on account of intense competition, changing channels of distribution and legal involvements. Opponents of the chain store have appealed through press and speech for boycotts against the chain store. They have sought State aid or national statutes which will cripple chain stores, such as resale price maintenance, or discriminatory taxation.

The opposition to chain stores from those who have taken sides for one reason or another burst out in a violent anti-chain movement in 1927. As the Harvard Bureau said, "in this development events have marched so fast that among business men bewilderment and resistance at change not infrequently have outstripped understanding." The charges made against the chains have smacked much of ignorance, of passion born of desperation, of unfairness, of selfishness, of demagoguery. It is largely a reactionary movement, against the trend of more economical methods of distribution, a rural and small town movement where local dealers and their clerks constitute the bulk of the people, where relations of dealer and customer are more intimate and where conditions are more static and resistant to change. The attacks are based, too, largely on sentimentalities, an opposition which is powerful but will probably prove delusive in the long run. Mere appeals to the consum-

ing public to patronize the home-owned stores are ineffective and meaningless to the average consumer. The customer is at liberty to purchase where he will—the public does not owe the independent merchant a living. Gubernatorial, Senatorial and other candidates for political office have found demagogic appeals against the chain store effective vote winners. Too few of the arguments against chains are based on sound principles of economics or sociology. On the other hand, the claims of the chain stores are frequently as devoid of substance, truth, consistency and proof as those of the opposition. Fortunately several outside impartial bureaus of research are subjecting the question to scientific investigation and are giving dependable answers to the various claims of the contestants.

The anti-chain legislative activity which started in 1927 has not abated. In the legislative year 1930-31 more than a hundred bills aimed at multiple unit companies were proposed during the sessions of forty-four State Legislatures. The movement was stimulated by the financial necessities in which most States found themselves; the bills proposed discriminatory and, in some cases, confiscatory burdens on chain stores. In the earlier years the movement to meet chain competition by political rather than by business methods was confined to the Southern States, but in 1928-29 and in 1930-31 it spread to practically all States. The Maryland, North Carolina and South Carolina bills were declared unconstitutional in 1928, but other bills framed differently in the hope they would meet the test of constitutionality were speedily introduced into these and other Legislatures. On May 18, 1931, the Indiana law was declared constitutional by the United States Supreme Court, and in October the court refused to reconsider the decision.

In May, 1928, the United States Senate adopted without debate Sena-

tor Brookhart's resolution directing the Federal Trade Commission to inquire "into the chain-store system of marketing and distribution as conducted by manufacturing, wholesaling, retailing and other types of *chain stores* and to ascertain and report to the Senate (1) the extent to which such consolidations have been effected in violation of the anti-trust laws, if at all; (2) the extent to which consolidations or combinations of such organizations are susceptible to regulation under the Federal trade commission act or the anti-trust laws, if at all, and (3) what legislation, if any, should be enacted for the purpose of regulating and controlling chain-store distribution." In the light of the present temper of State Legislatures, this investigation may presage national legislation on other than a tax basis when Congress next meets. The commission has sent to the government printer the first of a series of reports, which deals with the cooperative or voluntary chains.

This legislative movement is similar to that which arose about 1900 when the department store was developing competitive importance. In a famous case in 1900 the Supreme Court in *Wyatt vs. Ashbrook* scored so violently the notion that department stores could be taxed out of existence that the movement died without success.

In line with this decision the State laws taxing chain stores were declared in the years 1928-30 unconstitutional on the ground that they were discriminatory. Some were openly and avowedly discriminatory; while others in theory were more uniform, they were subtly and in fact discriminatory. The Maryland law, which applied only to Allegany County, provided that no new chain shall be established in the county under penalty of fine and imprisonment; it provided a special license and tax of \$500 per store per year upon chains in this county. The Circuit Court of the county declared the law discrimina-

tory and not a valid exercise of the police power.

Pennsylvania took an ingenious way of checking the expansion of chain drug stores, not by imposing taxes but by prohibitive fines under the police power. This power is generally recognized to include the regulation of the business of pharmacy and drugs. In 1927 Pennsylvania passed a law requiring that no new drug store might be owned in the State by other than a registered pharmacist. The ownership of new drug stores by partnerships and corporations was permitted only when all partners or members were registered pharmacists. Those owning drug stores at the time of passage of this law could continue to own the stores, but they were not allowed to qualify for ownership of a new drug store nor to establish any new stores. A fine was imposed for violation of this statute. This law was declared unconstitutional in 1928.

Georgia in 1927 imposed a special license tax of \$250 per store per year upon all "chains of stores." This term was defined to apply to stores selling goods at retail or wholesale, but not including gasoline filling stations, where five or more such stores were owned, operated, maintained or controlled by the same person, firm or corporation. This law was declared unconstitutional on grounds of discrimination, as was also a 1929 act passed shortly afterward placing a tax of \$50 on a chain of five or more stores. Similarly, the North Carolina statute of 1927 was declared unconstitutional. It provided that any person, firm, corporation or association maintaining within this State, under the same general management, supervision or ownership, six or more stores or mercantile establishments, should have to pay a license tax of \$50 per year for each such store or mercantile establishment in the State, for the privilege of operating or maintaining such stores or mercantile establishments. This law was

held unconstitutional by the Superior Court of Wake County, and again on appeal by the United States Court in 1928, on the ground that the ownership of six stores or more as a basis for classification for taxation constituted no real and substantial difference, that it was arbitrary and unjust, and that it deprived merchants of equal protection under the law.

The State of North Carolina, as soon as its 1927 statute was held unconstitutional, passed another act in 1929, providing that every firm or corporation engaged in the business of operating or maintaining in that State, under the same general management, supervision or control, two or more stores, should be licensed and pay for the license \$50 on each store in excess of one. The 1927 statute made six or more the criterion of a "chain," but the 1929 statute made two or more the test. This law was held constitutional on the ground that there is a real and substantial difference between merchants carrying on their business by means of two or more stores, and those who maintain and operate only one store; furthermore, the classification of the different groups for the purpose of taxation was not unreasonable and arbitrary. This decision was appealed to the United States Supreme Court, and the appeal was heard October, 1931, but the decision has not yet been given.

The most important case in this series of disputes concerned the Indiana law. Previously no anti-chain statute had survived the United States Supreme Court, and it was freely predicted that this political attack on the chains would soon cease. Indiana's enactment required that retailers be licensed and pay a scheme of progressive fees, from \$3 on the first store and increasing with the number of stores in the chain up to \$25 for each additional store above twenty. In the United States District Court this law was held unconstitutional. It could not be sustained upon any theory of the police power since it had no valid

relation to public health, morals, safety or general welfare, nor as a revenue measure, for it was not uniform in its application and the classification was arbitrary and unreasonable. The Tax Commissioner carried the case to the United States Supreme Court, which on May 15, 1931, reversed the District Court and declared the law constitutional. This act imposes such very heavy fees on the large chains that it will mean their ruin unless some scheme of local independent ownership is devised. Application for a rehearing was straightway made, but on Oct. 12 the court refused further consideration. The decision naturally caused great rejoicing in anti-chain circles and equal consternation among chain interests.

The court held that the classification for taxation was not arbitrary and unreasonable, even though it knew the tax was prohibitive to the chains. From an economic standpoint this decision is likely to prove a blunder, since by taxing the chains out of existence it places a premium on inefficient organization. The retailers of Kentucky already have sensed the error of their gross sales tax, and the opposition has resulted in the formation of the "National Anti-Sales Tax Association," sponsored by the National Retail Dry Goods Association.

The independent dealer will find far better than discriminatory legislation the modernization of his store and practice and the cooperative activities represented by buying syndicates, dealer cooperatives and wholesale-dealer cooperatives. Magnificent strides in these directions were being made by the independent dealers during the period 1927-30, when chains were growing fastest and legislation was regularly declared unconstitutional by the courts.

A cooperative chain is an association of independent retailers acting cooperatively either by themselves or with a wholesaler to obtain advantages in buying, advertising, or the

performance of other merchandising functions or activities. According to the control of the organization there are two types. The retailer-cooperative chain is an organization of independent retailers which advertises, functions as a wholesaler, or performs other merchandising activities cooperatively, and which is not connected with any particular wholesaler in such activities. The wholesaler-retailer cooperative chain is a group of independent retailers affiliated with a wholesaler for buying, advertising or other merchandising activities. These cooperatives copy the methods of the centrally owned chains; most of them are in the grocery trade where chain competition has been keenest. The Federal Trade Commission has surveyed 319 cooperative grocery chains with a retail membership of 43,141 independent stores at the beginning of 1930. It estimates that there are 395 such chains in the country with 53,400 units and sales which approach \$700,000,000. The American Institute of Food Distribution concluded from its study that there are 54,797 retail members of 421 cooperative chains, compared with 49,567 unit stores of the centrally owned grocery chains and the 296,232 independent grocers; 216 of the 421 voluntary chains are retailer cooperatives and 205 are wholesaler-retailer cooperatives.

Among the advantages claimed for

voluntary chains are the simplification of relations between wholesalers and retailers, through combining in one organization the essentials of both wholesale and retail functions or by concentrating purchases under one wholesaler; simplification of relations between retailers and sources of other commodities, largely perishable or semi-perishable; simplification of relations between these wholesaler-retailer groups and the manufacturers who have been supplying package specialties; group advertising and group control.

The fundamental weakness of the voluntary chain may be in the lack of central control which is sought by inducing retailers to concentrate their purchases as much as possible with a single wholesale house, and to follow prescribed policies and methods with regard to all retail functions which have a bearing upon the effectiveness and the economies with which merchandise is sold to consumers. The pressure upon the cooperative chains to achieve such control comes from competitive necessity for securing larger volume at lower cost, and from the fact that manufacturers are willing to deal with voluntary chains on more favorable terms when they are assured that through control exercised over their retailers, they can make contacts with groups of retail outlets without extensive specialty selling.

Restoration of Versailles and Fontainebleau

By FRANCIS DICKIE

THE two magnificent and historic palaces of Versailles and Fontainebleau have now been saved for posterity after six years of continual labor and the expenditure of \$2,000,000. The Palace of Versailles, with its surrounding buildings, artificial lakes, basins and park, is far more than a French national monument—it is an international patrimony. At the Palace of Versailles was signed the peace treaty after the greatest war of all times. In this palace Louis XV gave away Canada with the careless remark that it was only a waste of snow. Here Marie Antoinette entertained Benjamin Franklin, and the women of the court idolized the author of *Poor Richard*. Near the palace, in the Salle des Traités, in 1778 Franklin signed the alliance with France which recognized the United States as a nation. Here, too, occurred in 1783 a ceremony of equal importance when England recognized the independence of the United States in a treaty signed by the Duke of Manchester, the Count de Mercy, Benjamin Franklin, John Adams and John Jay. Here between 1664 and 1789 were woven the plots and intrigues which accompanied one of the most colorful eras in French history.

Versailles, after standing for 225 years as a symbol of France's greatness in architecture, art and wealth, had fallen by 1924 into a deplorable state of ruin. Its many acres of roofs were rotten to the point of collapse. Water was penetrating and in-

juring magnificent painted ceilings. Walls were crumbling. The impressive grounds designed by Lenôtre were neglected. Beautiful basins had been almost lost under the accumulations of earth and vegetation. A once magnificent aisle of trees had lost its harmony of line. Hundreds of statues were black and moss-covered. The hamlet of Marie Antoinette and her private theatre were falling to pieces.

Unfortunately, government finances would not permit much repair work. In the Summer of 1923 a little group of Frenchmen gave a garden party at Versailles to raise funds for the most needed repairs. Among the guests was John D. Rockefeller Jr. The historic associations of Versailles, its magnificence and its relation to the American Revolution excited his sympathy. As the garden party netted less than \$5,000, Mr. Rockefeller assumed the burden not only for Versailles but also Fontainebleau and Reims Cathedral, giving a total of \$1,376,000 for their restoration.

Construction on the Palace of Versailles was begun in 1664, in the reign of Louis XIV, and was completed in 1701. Mansart was the architect and Lenôtre designed the parks and gardens. The Petit Trianon was built during the reign of Louis XV, the private theatre, dairy and hamlet of Marie Antoinette by Louis XVI. According to the records, the entire cost of Versailles, including furnishings, the park and the water-works, was \$18,247,100.

The work of restoration was begun

in January, 1925, and was completed in August, 1931. In addition to the Rockefeller donation the French State made an annual contribution which brought the total sum available for the work to \$2,000,000. For an undertaking of such magnitude authorities in architecture had to be sought out, men who could devote much time to extensive research in the history of these buildings. The work was supervised by Welles Bosworth, an American architect who was appointed general secretary for the Franco-American committee to which President Poincaré entrusted the handling of the Rockefeller donation.

In the course of the restoration a tremendous amount of repair and rebuilding was accomplished, and work of a purely artistic nature was undertaken to restore, as far as possible, the buildings and surroundings to their original appearance. The most radical change was the removal of fifteen enormous marble statues, about three times life-size, of famous men of France, statesmen, soldiers and sailors, from pedestals on the ornamental railing lining the Court of Honor. This beautiful railing was one of Mansart's architectural triumphs. At regularly spaced intervals in the columns were stone pedestals to form a harmonious ensemble. For 170 years its graceful lines and curves set off the court, but when Louis Philippe ascended the throne in 1830 he placed on the pedestals a collection of statues representing Richelieu, Suger, Sully, Massena and other noted warriors. For 100 years these huge sculptures spoiled the esthetic beauty of the railing; their removal was one of the last efforts of the Rockefeller Foundation.

The most outstanding labor at Versailles was the creation of an entirely new alley of trees to replace that lining the mile of roadway on the Avenue of the Grand Trianon. The original, through death of many of the trees, had assumed a ragged and uneven line, shorn of all its original

grandeur. The principal work was one of selection; after many weeks of work on the part of foresters, 200 linden trees of uniform size were marked in the woods surrounding Versailles. In the Autumn of 1929 a deep trench was dug around them, the roots were clipped, and the trees left till early Spring. Before the first movement of the sap, all were uprooted and placed in special tubs ready for transplanting. In the meantime the entire line of the ancient trees had been cut down; the new ones were planted in their place. Such was the care with which the work was carried out that not a single tree was lost.

Some of the most novel work of restoration was the aeration of the stone walls at Versailles and Fontainebleau. The method used is the discovery of H. Knapen, a Belgian, who spent half a lifetime experimenting upon what now aids greatly in saving famous buildings from the stone decay that results from dampness. Architects, of course, long have known the tremendous havoc played by dampness; Knapen showed a way to prevent this by cutting a triangular aperture into the stone at the base of a building or statue. In the opening a pipe some 15 inches in length and 1½ inches in diameter is inserted at an angle over the opening a little iron grill work is placed. Thousands of these little apertures now adorn the walls of all the stone buildings at Versailles, as well as the base of some of the statues. As a result the darkened stone has grown lighter in color, while moss and lichen have disappeared.

Another recent discovery which aided materially in the restoration of the historic buildings was that for cleaning stone and marble of corrosion and dirt, and at the same time retaining that peculiar patina which comes to marble through the passing of the years. This was particularly important at Versailles, where the beautiful columns and facings of the

Grand and Petit Trianon Palaces are of delicately hued marble. Nearly 300 statues scattered through the grounds were black with the corrosion of 200 years. All these statues, the pillars and facings of the two Trianons, and the pillars of the great circular music room were treated with the "Roxor process." This begins with covering the surface of the stone with a solution that looks like soft soap. After this has been left to stand for a short time, a powerful jet of steam, generated by a portable engine, is poured upon the surface. The stone or marble quickly assumes its original tint. When the cleaning is completed and the surface is thoroughly dry it is rubbed with a specially prepared beeswax. So treated, marble will remain clean indefinitely.

The most expensive work at Versailles was replacing the roofs, or repairing them where it was possible to retain some of the original material. In order to protect the precious art treasures beneath during the process, a false roof or "umbrella" covering had to be reared, one which was thoroughly weatherproof. This, raised at a height so that men could work easily beneath it, was made of a stout wooden framework and covered with corrugated iron. Despite their skill, the builders of Louis XIV's time did not understand the art of building watertight flat roofs. As a result slate was often laid so as to permit considerable seepage in time of storm. Many of the oaken supports underneath were rotten or worm-eaten. Some of them had to be replaced; others were encased in iron work. On the flat surfaces the slate was replaced by copper and lead laid in large square sheets solidly welded into a perfect watertight whole.

The beautiful chapel at Versailles required especially careful work. The ceiling, which was found to be the sole support of certain beams, threatened to collapse. Water was seeping in.

As the ceiling was covered with excellent paintings by Coypel and La Fosse its saving was imperative. The beams were encased in ironwork which was lengthened to carry them to the wall columns, thus removing the danger of possible collapse; a light double ceiling of hollow bricks was placed above the original. In this way the delicate paintings are securely protected.

Since the time of Louis XVI many changes have been made at Versailles. The most unfortunate was the use of large window panes instead of the small panes put in by Mansart. Through the Rockefeller restoration, similar delicate panes have been put in place.

Included in the work of restoration was the theatre of Marie Antoinette, one of the most beautiful little auditoriums in the world. From the time when Marie Antoinette at the age of ten appeared in a court ballet at Schönbrunn at the marriage of Joseph II, she loved all things pertaining to the stage. At the beginning of her reign she recommended some new plays, but her choice proved so unpopular that she determined never again to give public countenance to new dramatic works. But in secret the Queen loved theatricals. In 1776 she began having plays performed in the Grand Trianon. The expense was enormous, as all the actors were kept in the palace and she showered expensive presents upon them.

In order to act herself she planned a theatre of her own, one that remains today a marvel in compactness and perfection of stage mechanism. It was opened in May, 1780, with a five-act play, *Castor and Pollux*. Because of the opposition of a great part of the court, Marie Antoinette admitted only a very few people of the royal circle, but in order that the players should have the necessary stimulation of an audience, the ladies-in-waiting, officers of the garde du corps and hunters of the

King occupied places in the balcony. The King sat in a special chair in the centre of the auditorium close to the stage and a special entrance was made in the railing at the side to allow him passage. The audience seldom consisted of more than fifty people. Yet so disturbed was the Queen's life and so many troubles arose from people of rank who were refused admission to the plays that even in her own theatre she found only disappointment and frustration.

A century passed. Dusty and odorous from untenanted years, its existence unknown to millions of visitors, for it was closed to the public, the theatre lay half hidden among the trees. The square front and narrow entrance is unpretentious, giving no idea of the perfection that lies within. When the Rockefeller restoration began, the roof of the theatre had almost collapsed, the walls were eaten with dampness, the floor of the stage and auditorium were gone, the wall paper destroyed. But other parts of the building were in an almost perfect state of preservation. The papier-mâché decorations surrounding the auditorium, gallery and stage were in good condition. The drums and pulleys in the "fly-loft," which raised and lowered the drops, were as good as in the days when Marie Antoinette directed the scene-shifting. A small piece of the original wall paper was discovered and turned over to a noted wall paper manufacturer. He has reproduced this perfectly and the theatre is redecorated with it. The pattern is State property and can never be used elsewhere. Marie Antoinette's initials still adorn the space above the curtain. The blue and gold color scheme will be again carried out.

Next in importance and in greatness of cost to the repairing and restoration of the palace was the cleaning, and, in some cases, rebuilding of seven of the score of fountains scattered throughout the park. The original clay bottoms no longer retained water and had to be replaced with

cement. In all cases the original curbing of ancient stone was retained and the original appearance carefully restored. The central water-spouts, composed in some places of cherubs, in others of horses or fish, were thoroughly overhauled. The original inside framework of iron had in many places rusted away and the outer lead covering was caving in. A non-rusting interior of bronze was inserted, insuring the renewed activity of the water-spouts for a great number of years.

The largest of the fountains, wholly obliterated by earth, grass and tree trunks, was known in the time of Louis as the "Plat Fond." When the Rockefeller restoration began in 1930, only one line of the curbing showed. As this basin was particularly essential to restore the harmony of the original plan of the park, it was thoroughly cleaned out. A series of springs which gave great trouble to the workers were first led into a series of pipes pouring into a great central drain. The original clay basin was overlaid with cement, with an ornamental floor of square paving above. The original curbing was strictly adhered to. Two lead dragons were restored from the mire to marble pedestals and regilded.

New roofs were laid upon the palaces of the Grand and Petit Trianon, the surface of the magnificent marble and pillars was cleaned, and the court of Trianon was repaved according to Mansart's original plan. The grill work in front of the Grand Trianon was restored, painted in green gold as in the time of Louis XV. The music room, that charming circle of fluted columns, was once more circled by grill work.

A tiny circular room near the theatre, known also as the music room, consists of fluted columns with French windows between. Dampness had brought the beautiful mosaic floor almost to collapse and it rested directly upon the earth. Low sills of cement, supporting a cement floor,

were laid on a six-inch coke foundation. A new mosaic, the exact duplicate of the old, with marble taken from the same quarries in the Midi, was placed above the cement.

Almost equaling the theatre in interest is the hamlet of Marie Antoinette. Each of the half-dozen houses which formed her original country village has a new thatched roof, and the walls have been repaired. One house, on which a tree fell in the Winter of 1930, presented a difficult problem. In order to retain the character of the building a wall of cement was raised inside with projections touching the old wall to support it. Marie Antoinette in her effort to escape the boredom of being a Queen also played the rôle of milkmaid. Her dairy still has its marble walls and a large marble table in the centre for working butter. Affixed to the walls are several oval basins into which little lead pipes encased in an ornamental motif brought milk from a central reservoir. This dairy, perfect in cleanliness and appointments, needed little overhauling. It is to be again put in operation to supply milk for the children who visit the park.

Weighed with 800 years of vivid history is the gray stone palace of Fontainebleau, the oldest furnished one in France today. Its enormous rooms and courts lined with moss-grown wall figures are filled with the memory of heroic kings and queens and women favorites whose fame has come down through the long roll of the centuries. Though begun in 1137, it was not until the time of Francis I, in 1515, that the palace took rank among the most remarkable in Europe. Here Diana de Poitiers had her sway, and her monogram was entwined with that of Henry II. Here Gabrielle d'Estrées shared honors with the queen of Henry IV. Here Francis I built up a library of 36,000

volumes. Here Catherine de Medici plotted against the Huguenots. Here Louis XIII was born, and Louis XIV signed the revocation of the Edict of Nantes. Here Napoleon signed his abdication and here, successively, apartments were occupied by Marie de Medici, Marie Thérèse, Marie Antoinette, Josephine, Marie Louise, Marie Amélie and Empress Eugénie. In Napoleon's time the castle consisted of 1,800 furnished apartments capable of housing 200 nobles, 1,200 servants, 500 horses and 80 carriages.

To tell the story of the restoration at Fontainebleau is largely to repeat that at Versailles. The principal work was with the roofs and chimneys, which were in such a terrible state that on several occasions the magnificent apartments had been flooded, and the valuable library built up by Francis I and Napoleon endangered.

Practically the entire roofing was replaced. In addition that part over the theatre of the palace was rebuilt to conform with original plans. A fire in 1857 destroyed this portion and a flat roof was built temporarily, entirely destroying the harmony of the high and steeply sloping ensemble. Under the Rockefeller restoration the high-sloping sides have been replaced, although the centre is flat, and twenty-eight large chimneys, varying in height from six to nine feet, restored. The front of the building containing the theatre is adorned by four niches. For some time these have been empty but they will now be filled with antique statues which, although now in the Louve, originally came from Fontainebleau. In many places the walls were restored, and one of the staircases. As the work was confined largely to the castle, it was less expensive and required only about \$160,000 of the Rockefeller donation.

Thomas A. Edison: The Man And His Work

By RALPH THOMPSON

WEST ORANGE, N. J., is a quiet little suburb of New York, lying at the base of that row of hills which has been dignified by the name of Orange Mountain. The town normally attracts little attention, but during October, 1931, the sympathetic interest of the entire world was directed there, a corps of reporters established themselves in the neighborhood and newspapers carried daily front-page stories of Thomas A. Edison, who, at the age of 84, was dying of a complication of diseases. When the end came on Oct. 18, that the sympathetic interest of the world changed overnight into genuine sorrow was evidenced by the tributes uttered by leaders in all walks of life and by a public concern too widespread to have been prompted by idle curiosity.

Not far from Glenmont, the Edison home in that private residential section of West Orange known as Llewellyn Park, stands the great Edison plant, centre of the inventor's activity during his later years. Less than twenty miles from there, at Menlo Park, is the site of an earlier and less ambitious laboratory, where perhaps the most notable of Edison's achievements were perfected. It is a far cry from the modern factory at West Orange to the shacks at Menlo Park, marked today by a tablet which only the observant motorist will see as he passes along the Lincoln Highway en route from New

York to Philadelphia. It is an equally far cry from the shaded lawns of Glenmont to the tiny brick house in Ohio where the inventor was born on Feb. 11, 1847.

The Edison family, which is of Dutch descent (the name is still pronounced with a long "e" sound), was established in America about 1730, but it was in a sense mere accident that Thomas Alva Edison was born in the United States. Loyalist tendencies caused many colonists to leave the country at the time of the Revolution, and among the emigrants was the inventor's grandfather. Edison's father was born in Digby, N. S., and later in life moved to Vienna, Ont., on Lake Erie. After his marriage in 1828 to Nancy Elliott there was another removal, this time to the United States and the little village of Milan, Ohio, not far from the southern shore of Lake Erie. The house in which Edison was born still stands, but it is not that dwelling which recalled to the great inventor his boyhood days. In 1854 his family had picked up their belongings and settled in Port Huron, Mich., and it was there that the young Edison began his career as industrialist and experimenter.

Every American youth has heard the story of the train newsboy who sold papers, tobacco and candy during the leisurely fourteen and one-half hour round trip on the Grand Trunk local between Port Huron and Detroit, but the story has been com-

monly colored in Horatio Alger tints until it has become more nearly a popular American success legend than a true account of the facts. It was against his parents' wishes that Edison became a newsboy, for they were prominent in Port Huron, although not wealthy, and were fully able to support their son. That Thomas Edison got no more than the three months' formal schooling which was his was due to his being unable to succeed in the classroom rather than to any press of poverty. In the two-volume biography of the inventor by Dyer, Martin and Meadowcroft, which is a storehouse of information concerning Edison's life, the fact is mentioned that by his own admission he was always at the foot of the class and that a teacher had characterized him as "addled." Nancy Elliott Edison was a woman of culture and education, however, and it was with her aid that her son read before reaching the age of 12 such ponderous authors as Newton, Sir Thomas Burton, Gibbon and Hume. What impression they made upon the adolescent mind is difficult to determine, but such literary fare was less unusual seventy-five years ago than it is today.

The young salesman on the railroad did not long confine himself to peddling his wares, but set up in the baggage car a crude laboratory in which he might dabble in chemistry and physics. He was indulged by the conductor even to the extent of being allowed to establish a printing press in the car, and from this appeared the *Weekly Herald*, a newspaper with one editor, compositor and salesman. During the Civil War days the inhabitants served by the Port Huron-Detroit local obtained much of their information concerning events of the conflict through the medium of this boyish journal, for by arrangement with telegraph operators along the line Edison was able to publish news for the countryside well in advance of less mobile papers.

The telegraph, well established as a means of communication by 1860, had been a source of much interest to Edison and certain of his friends, and he had gradually learned the routine and technical skill of telegraphic manipulation. When an opportunity arose, therefore, Edison took a place as railway telegraph operator at Stratford Junction, Ont. This was in 1863. For the following five years he worked as operator in various places in the Middle West—Fort Wayne, Indianapolis, Cincinnati, Louisville—and in 1868 went to Boston to take a position in the Western Union office. From there he went to New York, where his career began to broaden along the lines in which he later became famous.

Certain that the telegraph then in use was imperfect, Edison began to produce one improvement after another, the result of years of observation and an essentially mechanical turn of mind. In Boston he had invented a stock ticker, or, rather, had improved the device which had been introduced a few years earlier, and when he came to New York he was put in charge of the plant of the Gold Indicator Company, an organization which made tickers to register the fluctuations of prices of gold. In 1869 Edison and a telegraph engineer named Pope formed a partnership for the manufacture of fire-alarms, burglar-alarms, telegraph wire, cables, instruments, &c. His first successful invention, a further improvement to the stock ticker, brought him the startling sum of \$40,000 outright, and with this the young man started a shop of his own in Newark, N. J., with fifty hands. During 1870-71 Edison had in operation three shops in Newark, and the fruitful experimental work began in earnest.

The rapidity with which one device after another was patented in Edison's name has become an American legend, differing from most popular stories, however, in the basis of un-

derlying fact. From 1869 to 1926 nearly 1,500 patents were applied for in his name; in 1882 alone 75 were granted. Contrary to general opinion, however, most of Edison's inventions were not generated out of thin air after the manner of black magic. By far the greater number were merely improvements on devices already in use, improvements that in many instances were imperceptible except to technical experts and were consequently not likely to attract public attention. Nevertheless, there was sufficient sensation caused by the invention of the phonograph and the incandescent lamp to warrant the Pennsylvania Railroad's running special trains to Menlo Park in 1877 and 1879. "Wizard" is a term which has not infrequently been applied to Edison, and if ever it has been justified in these post-Faustian days it has been in his case. The conjuring was done with no Mephistophelian aid other than that of intense labor and application, however, and the selling of the soul, so to speak, was accomplished merely at the loss of sleep and leisure.

Not all Edison's projects were financially successful, although the sum was overwhelmingly so, as is shown by the size of the estate he left—estimated at more than \$12,000,000. In the '90s, for example, conscious of the fact that the steel trade in the East was suffering from the gradual exhaustion of deposits of high-grade iron ore, Edison began to look about for sources of low-grade magnetic ores which could be transported to smelters without the prohibitive expense of carrying charges on material over 80 per cent useless. He acquired thousands of acres of magnetic ore deposits, and in the hills of Sussex County, N. J., began operations for economical production from the low-grade material. After suitable machinery for such production had been devised, mountains were broken up by dynamite into huge pieces weighing sometimes five or six tons, and the

rock was fed into a series of massive rollers which eventually reduced the material to a powder. This powder was then passed over magnetic separators which drew the metallic elements to one side and allowed the tailings to fall. The concentrate iron oxide was then mixed with a binder and pressed into briquettes for shipment to steel manufacturers. But just as these briquettes proved commercially successful, rich deposits of high-grade ore were discovered in Minnesota, and in consequence the market price of the metal broke nearly in half, leaving Edison unable to compete, and forcing him to close down the concentrating plant. The financial loss was tremendous, not to mention the labor which had been devoted to the project. Edison himself had for five years lived and worked in the Sussex County hills, returning to his home in Orange only to spend Sunday.

But remarkable successes had preceded this failure, and others were to come. In 1877 the inventor had traveled to Washington with his new phonograph to exhibit it to President Hayes, and all Washington had marveled at the toy—for such it was at first. This was a triumph indeed! Before 1877 no real "talking machine" had been known, although various devices to record the sound vibrations of the human voice on blackened paper or photographic plates had been exhibited, and there were several machines which by compressed air gave forth sounds simulating speech. Edison, however, had a far different idea, and produced in his tin-foil phonograph a device which not only recorded words but also spoke them. He himself told the story: "From my experiments on the telephone I knew the power of a diaphragm to take up sound vibrations. * * * I reached the conclusion that if I could record the movements of the diaphragm properly I could cause such record to reproduce the original movements imparted to the diaphragm by the voice, and thus succeed in recording and re-

producing the human voice." The apparatus was made. "I then shouted 'Mary had a little lamb,' &c. I adjusted the reproducer, and the machine reproduced it perfectly. I was never so taken aback in my life. Everybody was astonished. I was always afraid of things that worked the first time."

It was many years before the phonograph grew beyond the toy stage; not until about 1890 did it become a successful industrial apparatus with the substitution of motor power for hand power and a semi-permanent wax cylinder for the perishable tin-foil coated record. But as early as 1878 Edison had definite ideas of the possibilities of his invention, and he wrote for the *North American Review* in that year a list of the services to which it might be put. The list includes all the modern uses of the device, from its office as a stenographic aid to that of instructor in languages; thus far, however, the phonograph has not been widely accepted as a register "of the last words of dying persons" or generally incorporated into "clocks that should announce in articulate speech the time for going home, going to meals, &c."

The two devices nearest to the average citizen, the electric light and the telephone, were made available for general use largely through the efforts of Edison, although he was not their inventor. Alexander Graham Bell's patent was issued in 1876, before Edison had done much in the telephonic field, and other physicists besides Bell had experimented widely along the same or related lines. It remained for Edison, however, to produce the apparatus now universally used, which makes possible communication over long distances, for with Bell's telephone the length of line was limited to a few miles. The incandescent lamp, on the other hand, with the extensive and complicated apparatus essential to its being used successfully for illumination is more or less the product of Edison's mind.

While candles, whale oil, petroleum, coal gas and water gas were the common forms of lighting up to 1880, as early as the first decade of the nineteenth century Sir Humphrey Davy had produced a brilliant arc between charcoal points fed from batteries, and at the Centennial Exposition at Philadelphia in 1876 dynamos which furnished power for arc lamps were exhibited. Experiments had shown also that resistance to electric current produced incandescence in conductors, but no practicable conductor had been devised, nor were there means of producing a vacuum sufficiently complete to prevent rapid oxidation during the incandescence. Edison found means for obtaining and maintaining high vacuums, and after much experimentation with conductors hit upon a paper carbon filament that would give a bright light and serve for over forty hours. This was in 1879. Over 3,000 persons flocked to Menlo Park to see the new marvel of the age shining in the little laboratory. The next step was the procuring of a more durable filament; bamboo was found serviceable for a time, but in the early '90s a carbon compound was substituted, and this was used until comparatively recent times, when metallic filaments were developed.

The invention of the incandescent lamp was but a step in making electric light generally available; it is frequently forgotten that another knotty problem was that of subdividing the electric current so that an indefinite number of lights might be burned independently on the same circuit, and that the question of generation and distribution of power to consumers was a matter requiring no small application of mechanical genius for its solution. In the Autumn of 1882, however, the main difficulties had been so far overcome that the first Edison central station was opened in New York City, and in a few months there were 240 customers using its power for over 5,000 lamps.

No charge was levied for the service at first; the newfangled means of illumination had to be first accepted by the public. Edison himself told the story of the excitement at Ann and Nassau Streets shortly after the opening of the first central station, when, because of the leakage of power through a faulty junction-box into the moist soil of the street, even the most broken-down of horses were marvelously vitalized as they passed over the electrified spot. But by the end of 1882 meters were installed for each customer, and electric illumination became a factor in the life of the citizens.

There is a long story to be told of Edison and his achievements in the development of electrical transportation, the motion picture, the motor-graph and microphone and the storage battery. During American participation in the World War he worked on special experiments for the United States Government and submitted reports to the Secretary of the Navy on subjects ranging from the mechanical detection of submarines to the manufacture of high-explosive projectiles. His work in developing that marvel of modern science, the vacuum tube, was not the least of his achievements, but it was not as generally known as his experiments in producing rubber from a species of goldenrod.

Edison's fame has not been unattended by controversy and bitter criticism, and courts have heard litigation concerning alleged infringement of patents, "borrowing" of ideas or breach of contract. In 1909, for example, his phonograph interests were

compelled to pay \$2,000,000 to satisfy claims for invasion of the territorial sales rights of the New York Phonograph Company. More than one unhappy inventor has attempted to establish his right to devices included in certain of Edison's productions, but no satisfactory record of such proceedings is available. The imputations made against Edison's business tactics must be laid in part, at least, to the envy and aspiration of less successful men, and one of the tasks of future biographers of the inventor will be to gauge the true weight of such charges in the light of careful research. No rational appraisal of Edison's career, however, should fail to include mention of his assistants, some of whom, like John Kruesi, became well known in their own right, while others remained unknown. To the ingenuity and talent of these men due credit must be given for assistance in the development of the devices given to the world by the great inventor.

In the last years of his life Edison moved genially from his New Jersey laboratory to his Florida Winter home and back again, startling the world occasionally by some pronouncement on education or science, photographed in companionship with certain eminent friends, but nevertheless faithful in the pursuit of the research to which he had devoted his notable life, a sort of superman to whom the country quietly paid its respects as he bent over his workshop bench. He was the great technologist in a mighty age of machines, and as such it is fitting that he was not without honor in his own country.

The Germany of Today

I

Hindenburg: A Man of Iron

By EDWARD LOUIS SPEARS

[The writer of this article, a retired Brigadier General of the British Army, is now a member of the House of Commons. He was aide de camp to Sir John French, and from 1917 to 1920 head of the British Military Mission in Paris. He is author of a volume of reminiscences entitled *Liaison—1914*.]

PARADOXICALLY enough, the former bulwark of Prussian junkerism has become the strength of German republicanism. The champion of the German Empire during the war has become the rock on which Germany has built her republic, the solid foundation of her democracy, without which she would probably have sunk into chaos, dragging down with her into anarchy friend and foe alike. Paul von Hindenburg was entitled to our respect when he fought against us, and we owe him gratitude and admiration for what he has done for his country since peace was concluded.

No man has achieved a greater result with a simpler equipment. His military training, apart from the self-discipline it has imposed on him ever since as a small boy of 11 he entered the cadet school trying to hide his tears, has been of no use to him as head of a modern democratic State. On the contrary, it has been a positive handicap, carrying as it does in his case the full implications of the fierce and stern Junker tradition of almost fanatical loyalty to the throne and belief in the immutable prerogatives of the caste to which he belonged.

When he became President of the Reich the old Field Marshal brought with him, as his sole equipment for statecraft, loyalty, belief in God and in human progress, faith in Germany and a boundless sense of duty. These are strange weapons with which to rule a democracy and are not those usually found in the armory of politicians, but in his case, because of his tremendous prestige, they have served their purpose and served it well.

Although different in physique and in mental equipment from the Duke of Wellington, Hindenburg is in a sense similar, for both realized that only by good-will and fair dealing could Europe hope to recover from the disastrous strain of war. Wellington, the victorious General, set his face against France's being permanently maimed and disrupted and having much of her territory torn from her by the victorious allies after 1815. He saw in a weakened France a danger to peace. Hindenburg also sees in a disrupted Germany not only the end of the country he loves so well but a catastrophe for Europe. He has used every ounce of his strength to keep Germany united, relying upon time and good-will to remedy what in German eyes are the injustices and unfair penalties of the treaties. Each of these two great men who led their country's armies in war and subsequently guided them in peace saw the danger of possible disintegration in Europe and the folly of attempting to

build the international structure on anything but a foundation of justice and fair play.

In 1914 Hindenburg was a retired General of 67 living quietly at Hanover. A soldier and the son of a soldier, the heir of a long military line of Prussian nobles, owners of estates and servants of the King, he had had a distinguished military career. Industrious, able and intensely serious, he had served with distinction both as a regimental officer and on the staff. As a youth he had gallantly led his men at the decisive battle of Koeniggratz against the Austrians, then Germany's not very formidable opponents, later to be her very alarming allies. He had been Adjutant of his regiment of Footguards during the Franco-Prussian War and finally attained the high rank of Corps Commander.

He was then and is now enormous, a whale of a man, with the square head of his race, the hard straight lines of the bone structure emphasized by the cocoanut-mat, angular cut of his gray hair. Also typically Prussian is the flat back of the head, falling straight from the crown to the collar, over which the neck forms a bulge. The broad nose is given prominence by the symmetrical furrows which fall away from either nostril, forming deep lines under heavy hanging cheeks, the lower part of which is concealed by the heavy sweep of the full mustaches trained to fall and then to rise at the tips. Heavy bags under the eyes, which of late have grown smaller and lost something of their sharpness, heavy lines across the forehead, a stiff military gait, the walk of a huge, bulky, dignified man—these complete the picture.

Stern and humorless, rather terrifying to subordinates in the far-away days when he was a regimental commander, Hindenburg nevertheless has concealed beneath his rugged features much kindness and good nature. Seated with companions over a good bottle of Rhine wine he expands in a

genial bonhomie which many of his old comrades consider more typical of him than his official rigidity of bearing. But it takes a child to bring out all the hidden tenderness buried deep in that huge frame. A simple giant, whose mind, entirely that of a soldier, has been cultivated and trained only from the professional point of view, he is the embodiment of the highest qualities of his calling—straight-dealing, self-sacrifice, honor, quickness of decision and broadness of view. He possesses to the full one of the requisites of a great military leader, character, but is almost entirely devoid of that other equally important one, imagination.

He is not well-read or musical, but he knows and appreciates beauty. He loves the great woods in which he hunts the deer, and has found satisfaction and charm in the austere religion he has practiced. Strangely enough, an unsuspected side of his nature is seen in his fondness for portraits of the Madonna. He knows nothing of the artists or of the merits of his pictures, but merely collects them, for under the gruff exterior lies hidden an esthetic longing which the old soldier finds best satisfied in something as religious and simple as the innocent face of the Mother of God.

Ordered soon after the outbreak of the war to East Prussia, where things were going badly, Hindenburg then for the first time met Ludendorff, who had been appointed his Chief of Staff. It is true that everything for the great victory Hindenburg was to win at Tannenberg had been prepared by the staff of his predecessor, General von Prittwitz, and that the actual conception should be credited to General Gruenert and Lieut. Col. Hoffmann. But the responsibility for adopting and carrying out the strategy was Hindenburg's, and he has been justly looked upon as the savior of East Prussia.

His promotion was rapid, and on Aug. 9, 1916, he found himself the responsible leader of the German

armies, under the title of Chief of the General Staff, responsible to the Kaiser alone, with Ludendorff his chief assistant as Quartermaster General. It will be the task of history to weigh and examine whether the association of these two men was the best and happiest that could have been devised in the interest of the Central Powers. It was certainly a strong one in spite of some obvious defects, but it was not the perfect combination it might have been had the younger man devoted all his energies to carrying out the far-sighted policy of his chief. Ludendorff, the man with the stronger will, gradually dominated Hindenburg, operating with boundless energy under the cover of the great Chief of Staff. Not that Hindenburg was weak, but Ludendorff had the drive of a fanatic, and the success he achieved for so long, the strength of the fist he brought down in the name of his chief, obtained the admiration and gratitude of the Field Marshal.

Ludendorff was the dominating partner in an association which satisfied both the chief and his subordinate, although he never blinded Hindenburg. If the latter gave way he did so with his eyes open, for his vision was wide and clear and he possessed great insight. The two worked together without friction, and when political expediency later forced a separation, it was felt more by the older than by the younger man. The combination would probably not have been possible without Hindenburg's immense placidity and patience, which enabled him to stand the strain imposed by the violent energy of the Quartermaster General as it did also the nervous, nagging, touchy, imperious yet pathetically dependent and helpless character of the Kaiser.

Hindenburg, unlike Ludendorff, never forgot the duty his loyalty imposed on him toward his sovereign. Never did he show impatience; never did he side-track Wilhelm II, whose

intelligence and comprehension of military matters he recognized and whose morbid fears, loneliness, apprehensions and responsibilities he understood. His deference to the Kaiser was protective. He understood something of the torture and the isolation of the man who believed he held the throne by divine right, who stood in his own eyes above all others responsible to his country, but still more to his ancestors; who felt the full weight of that responsibility, yet knew that he would not be consulted concerning decisions on which the fate of his throne, which to him was the fate of his people, depended. Hindenburg knew how to reassure and to inspire with something of his own faith his overintelligent, versatile and sensitive sovereign.

Unlike Ludendorff, whose attitude the Kaiser resented as lacking in deference, who made his royal master suspect that the title of War Lord meant little and should not be made a pretext for interference or even for wasting time in explanations and ceremonies, Hindenburg with infinite patience and understanding did his best to lighten the strain under which he knew the Emperor labored. His deep religious conviction soothed, his calm strength comforted the Kaiser. Hindenburg was loyal to the last. When the end came and it seemed that the Allies were about to demand the surrender of the Kaiser, the Commander-in-Chief wrote to Marshal Foch in dignified terms stating that he, as the Emperor's adviser, held himself entirely responsible and placed his person at the disposal of the victorious powers in place of the monarch's. His chivalry went even further. He allowed it to be understood that he had advised the Kaiser to take refuge in Holland, or at least that he had agreed to this step. In any case, he still stoutly claims responsibility for it. He will carry to his grave the secret of what really happened, but even if he did agree to the ignominious though perhaps necessary flight that

brought the German Empire to an end, no one will ever know whether his advice was not prompted by the Kaiser's own wishes.

It is unlikely that the term "genius" will ever be applied to Hindenburg, but he was professionally extremely competent and acute. His great difficulty lay in that as Commander-in-Chief of the armies of heterogeneous peoples of very different fighting value, spread all over Europe, questions of high diplomacy kept arising which the soldier, feeling himself ill-fitted to cope with, resented. These questions were of course as insistent and as numerous as the purely military ones, yet it was with relief that he turned to the latter from the former. On the other hand, he was a magnificent organizer and was tireless in his efforts to coordinate the energies of the whole German nation toward victory. He found it difficult to understand objections and recriminations when this was the aim.

He was not ungenerous to his opponents. To British tenacity he often paid tribute, and he weighed accurately friends and foes. Of the British he said that the prisoners taken in 1917 spoke exactly as those taken in 1914. But he was not slow to detect faults, and attacked the British front in March, 1918, because "their offensives had revealed inability to cope with swiftly changing situations," and because he suspected "that similar defects would be revealed in their methods of defense. They worked too much according to plan." He was fully aware of the weak points of the Allies also, and here again history will have to establish whether the difficulties inherent in alliances were best handled by the Entente or by the Central Powers.

It is not easy to compare Hindenburg to the commanders whom he opposed. Joffre's powers of manoeuvre were paralyzed by trench warfare while Hindenburg still had full scope for movement in the East. The two Generals cannot be said to have been

matched, for Hindenburg was in the East during the Battle of the Marne. Good though many of Hindenburg's conceptions were, nothing he laid his hand to seems to compare with Joffre's magnificent strategic manoeuvre that brought the retreat of 1914 to an end. Nor did Hindenburg ever emulate Joffre's energy and drive during the Marne, and the German Army commanders never played as close a supporting game as Joffre imposed on his subordinates. His fortitude and the risk he ran at Tannenberg do, however, compare on a smaller scale with the decision Joffre took to fight on the Marne. By the time Foch became Generalissimo, American intervention had already weighted the scales heavily against the Germans, whose strategy, which by then consisted in the Ludendorff method of heavy and very alarming drives, was devoid of the imagination necessary for masterly strategic plans.

When it became evident that Germany must collapse and that all hope must be finally abandoned, Hindenburg's fortitude did not desert him. He was the responsible military leader, but, certain that he had done his duty, he did not allow himself to be overwhelmed by defeat, and he trusted his countrymen to recognize this. What he found hard to accept was that the German people would not fight to the bitter end. While there was still a glimmer of hope, his message to the hard-pressed troops had been to "hold on." He maintained that history, which he held to be the great teacher of humanity, counseled not caution but boldness. At the very end, hoping perhaps against hope, but certain at least that honor demanded a bold front, he urged the people to continue fighting. He tried to press the services of the whole nation into the struggle. The answer was the dismissal of Ludendorff at the insistence of the Chancellor and the Cabinet. The old man wanted to go, too, but was asked to remain, and so held grimly on.

When the revolution broke out, Hindenburg would not believe that it was the action of the German people and wished to lead the army against the rioters. It was difficult to convince him that the troops would not fire at their own people, that mutiny would ensue if he had his way. Then came collapse, Germany's request for an armistice, the hard terms of the Allies and the Kaiser's flight to Holland. Revolution spread and roared in the interior; the conditions imposed by the victors were hard to fulfill. Politicians sank out of sight, the Kaiser had fled, all his hopes were destroyed, yet Hindenburg still stuck to his post. He knew that he alone could hold the army together and keep order. He swallowed his pride, conquered his instincts, listened to the dictates of his conscience, which forbade his withdrawing as so many others had done, and placed himself under the orders of the new civilian head of the State, the Social Democrat ex-saddlemaker, Friedrich Ebert. His calm fortitude and steadfastness heartened the President, who without his support could hardly have withstood the cataclysm.

Thanks to this very noble action, and influenced by his example, the army returned home under better conditions than were hoped for, and the worst possibilities of a critical situation were avoided. Hindenburg was right in trusting the army, for the men loved him. When at the outbreak of the revolution the troops on the eastern front, who had thrown over all semblance of discipline, destroyed every emblem of monarchy or of the old order, they nearly always respected Hindenburg's portraits, which hung in all the canteens and in many of their billets.

When on the death of Ebert it became evident that Hindenburg was the only candidate for the Presidency who had a chance of being elected by anything resembling a national majority, the old man no doubt felt that this last call of duty was really too much. He had carried so heavy a burden for

so long, he had been so often told that he must carry on because it was his duty to do so, that he felt that he had earned rest and peace at last, and that he should be spared this last uncongenial task. But once more he was asked not only to forfeit all hope of leisure, but to lay aside the traditions of a lifetime. The Junker was to be the servant of democracy. A conservative, born and bred in the hatred and fear of socialism, was to undertake to see fair play and maintain strict impartiality between all the parties in the State. The monarchist was to succeed the master he had served so well as head of the republic that had dethroned him. The honest, loyal soldier had to put to himself the question whether, although freed by the Kaiser, as the whole army had been, from his oath of allegiance, he was yet not bound in honor to his ex-sovereign.

There were a thousand reasons for refusing the uncongenial task, but there was one for undertaking it—an unflinching sense of duty to his country. Once he had made up his mind that Germany still needed him, Hindenburg hesitated no longer. He took up his heavy duties without a murmur, and the decision once taken, his imperturbable calm returned. On the day of the election he went to bed at the usual time without waiting to hear the final result, and was both indignant and surprised at being awakened with the news that he had been elected.

In many quarters protests were raised by those who saw in his election to the Presidency a challenge to the new order. The old army commander could not so change as to become the pacific head of a democratic State. He would prepare the return of the Kaiser, foster the spirit of revenge. The more far-seeing, those who knew something of him, more especially the soldiers, who instinctively understood his soldier's mind, had no such apprehensions. They knew that if the Field Marshal swore the oath of allegiance to the republic he would keep it, and those with imagination

realized that he alone could hold the reactionary elements in check and command the respect of the hordes of disillusioned and suffering ex-soldiers.

Respected by the whole German nation, Hindenburg has continually enhanced his prestige by his fair dealings. He has done what probably no other man could have done—he has held Germany together. He has done even more. His constant endeavor has been to build a new Germany on the basis of right, love of country and duty. To some extent he has succeeded, just as his straight dealing and honesty have carried him further in diplomacy and politics than less open methods could have done. The advice he has given his people has been acute and sound, as for example when he warned them that what a country needed above all other things if it was to recover from the war was to rid itself of those who made of politics a business.

Hindenburg has in his time been satiated with honors. He holds the cross which Blücher wore and which will be conferred on no one after him. But these things have meant little to him and have certainly never been a compensation for the responsibilities he has shouldered. He is very old—84 years—but his immense self-control

and self-discipline persist. His sense of soldierly chivalry remains also, unimpaired in spite of the severe strain to which the difficulties of his country have put it. Recently one of his admirers, who had among his heirlooms the sword captured from a French general at Sedan, asked Hindenburg to accept this trophy. The President replied that he would, provided that he could return it to the heirs of the original owner. The donor accepted this condition (with mixed feelings probably) and the sword was handed to the French Military Attaché in Berlin. The French general's heirs could not be traced, however, so the trophy finally found a resting place at the Hôtel des Invalides in Paris.

There is a story of a French princess who took her children to see Hindenburg's statue in Berlin and told them to look well, for there stood a man. No truer tribute could be paid him. He is a man, and there is room in the world for such as he. He has done much for Germany, and by serving his country well he has served civilization. When he disappears from the scene in which he has played so noble and self-sacrificing a part, he will leave a place which it will be hard to fill, for few can hope to attain so high a plane of courage and of service.

II

Life Among the Students

By RICHARD A. LESTER

[Mr. Lester, who is now an instructor in the Department of Economics and Social Institutions at Princeton University, was a student at the University of Bonn during 1930-1931 as a German-American Exchange Fellow].

ATENDING a German university would, to most Americans, seem a rather unromantic affair, despite the Student Prince and his stein-song. The German student enjoys nothing like campus life as

American students know it. There are no dormitories, chapel, required attendance, daily quizzes, prescribed courses, R. O. T. C., house parties, football, class presidents, freshmen, humorous magazines, senior votes, graduation exercises, alumni reunions, college songs, yells, or rallies for him.

In the first place, there is in Germany nothing similar to our undergraduate college with its A.B. and

B.S. degrees—an institution which we have taken over from the English. The word college (in German *Kolleg*) means one's studies or curriculum. An American must have at least two years' college training before he can even enter a German university as a regular student. The only really academic degree conferred by a German university is that of Ph. D. Indeed, the emphasis on research, theses, Ph. D. degrees (so uncommon in England) in our graduate schools shows to what a large extent they are patterned after the German system. In the second place, the students in Germany are on the whole older—some are gray-headed—and much more serious than American undergraduates. They are grown-up little men and women, some almost prematurely so, perhaps because of the war. They are proud, self-conscious and usually lacking that care-free, happy-go-lucky disposition of the American student. They and the rah-rah college boy are poles apart.

However, unlike the situation in most of our graduate schools, where the student is practically compelled to smother his specialty to death by overdevotion, the German candidate for a Ph. D. must also take examinations in at least one or two other fields of study. As in France, there are no definite foreign language requirements except in the case of a candidate in philology.

All the lectures in the university are open to all students of university standing, so that the student of medicine may at the same time attend lectures in psychology or sociology, and the student of law those in economics and government. The student is treated like a mature individual. He is not chased along according to the calendar, nor does one find many traces of schoolmaster methods. The German student is not bothered with any real examinations till the final ones for his degree. He does not even have a faculty adviser appointed to assist him in selecting his subjects

and arranging his program. At the beginning of each semester he visits different lectures or seminars and then, after a few weeks, selects those which suit him, paying for them at so much per hour per semester—say 75 cents—instead of paying a flat sum as tuition. A large proportion of the student's payment, together with a salary from the State, goes to the professor, so that ordinarily the more students attending his courses the more the professor earns. The German professor himself determines his courses; he is not kept under the thumb of the faculty or the Ministry of Education.

In Germany there are few universities—but 49; these are State-owned and State-regulated. In the United States there are well over 1,000 universities and colleges which confer all kinds of degrees and are controlled by every conceivable kind of individual or corporation, thanks to Chief Justice Marshall's decision in the Dartmouth College case. Work done in any one German (or Austrian) university is recognized in any other university in Germany and Austria. Students may change from one to another as frequently as they wish without losing credit. Every semester finds a flock of new faces at each university, the *Privatdozenten*, or instructors, changing quite often also. It is the exceptional German student who has not been to at least two or three different universities, and some have been to seven or eight. All this helps to broaden the student and prevents a one-sided view of things, which often follows training under a single group of teachers.

State-ownership frees the German universities from the need of campaigns for funds and letters asking for donations from their former students. They need no highly specialized group of "good-mixers" on their staff to help finances through contacts with the outside world. They do, however, receive gifts from private donors—a group of Americans recently gave

a building to Heidelberg—and, as we, they indulge in the profitable practice of conferring honorary degrees upon prosperous people. Thus far they have not felt the need of making excursions into the field of public amusements nor of advertising correspondence and night-school courses for outsiders, though some of the most important lectures and seminars take place late in the afternoon or even in the evening. As for practical courses, although they cannot boast of any in ice-cream making or the duties of a school janitor, they do have some teaching stenography and brewing. But there is in Germany a rather strong feeling against any further popularization, which is often called Americanization, of the universities.

The wandering of the German students, already referred to, while it without doubt makes for intellectual development and independence, is bad for social life. In most American universities and colleges, the students for four years meet with their classmates at meals, in dormitories and in activities which range all the way from athletic teams to shoe-repair establishments. The American college has its own slang, its own loyalties, its own customs and costumes. The German university, on the other hand, is not so much a society in itself. The students are scattered about the town or city, living in private rooms or at home, and the faculty troubles little about their private life. The days of the student jails are gone, although some individuals still are tried before a university court.

There are fewer opportunities for cooperative effort, such as class meetings and dances, dramas and debating, publications and athletics. Student contact with the faculty is rare, for most of the German professors seem to be absorbed in research and have a pedantic, humorless manner which, however, is also encountered in America. There is really no unified student body, and instead one

finds little groups based upon social class, religion, politics, scholarly interest or fraternity. Most of these groups are nation-wide, so that a student going to another university finds himself still a member of his old organization in the new environment. For this reason, he tends to be more loyal to organizations outside the university than to the university itself. In after years, he does not come back as an alumnus to his class reunion, but as an *alter Herr* to the yearly reunion of his fraternity.

Such social life as there is, such foolery and liveliness as exist, take place within a fraternity or corps. The corps-students have their own colored uniforms, worn on special occasions. The colored caps, however, which look like those worn by organ-grinders' monkeys or those of our Civil War uniforms, are proudly worn every day. The fraternities have their own houses, their own dances, their own drinking parties. The members practice dueling, and their leaders meet from time to time to arrange matches. Like the oldtime boxing matches, they are fought to a finish. Each round consists of three sabre slashes at one's opponent. Neither is allowed to move anything except the right arm. Each remains rigid—even eye-winking is a sign of cowardice. It is hard to tell, from the number of scars seen at the various universities, whether this custom is on the decline, but, of course, not all fraternities indulge in dueling. Catholics are prohibited from doing so, and the few sororities have not as yet adopted the custom.

Besides the corps there are a number of other circles and unions, religious, scientific and political. Although their members wear no flashy costumes, they are none the less interesting. Some live on the very edge of existence in cheap rooms and on cheap food, spending about \$20 or \$25 a month—the average student spends probably about \$500 a year. These groups help to form the eve-

ning crowds which flock to lectures of all kinds, especially on political subjects. They are to be found in the libraries bent over books, religiously reading the daily newspapers in the *Studentenbucherei* or taking walking trips in the country on Saturday afternoons. One sees them also at the inns behind their mugs of beer discussing art, drama, music, philosophy or the war for hours at a time. They seem to have an interest in learning for learning's sake, for although they are not regulated by required attendance, required reading and required quizzes, which hinder one from doing much real work apart from what is prescribed, and although their noses may not be thrust into a specified textbook, they work. They do not stop studying when vacations begin at the end of July, and the word "week-end" means no more to them than that Sunday is at hand.

The average German student knows a surprising amount of Latin, modern languages, facts and theories. There is no doubt that he is more encyclopedic and philosophic than the ordinary American student. He thinks he knows what an education is and sincerely believes he is acquiring one. He is ready to make assertions in various fields of knowledge with an assurance which would be the envy of experts in those fields. He is usually rather proud of his knowledge, whereas in the United States those who have intellectual tendencies are not often so anxious to let the fact be known.

German education has undergone considerable changes since the war. In 1914, there were some 80,000 students in universities and higher technical schools; in 1918, but 25,000. By 1919, however, the number jumped to the unprecedented figure of 112,000 and today stands well over 130,000—a proportion of one to every 650 persons. In France there is one university student for 700 inhabitants; in England, one to every 1,000; in the United

States one to every 125. There is a fivefold increase in the number of German girls attending universities since the war. Today there are nearly 20,000 of them, and all German universities are co-educational. Such a rapid increase in the number of students has left the equipment and personnel sadly insufficient, the seminars overcrowded. But it is interesting to see that although money for improvements is scarce, whatever has been spent has on the whole been spent intelligently.

German universities have been swept along with the changing currents of German life. Germany has become a republic with reparations to pay, and one finds in the universities much political discussion and agitation. The inflation period destroyed the incomes of many middle-class families, with the result that many more students now concentrate on practical matters and fewer on such intangibles as Germany's former academic delight, philosophy. Since 1914 the number of students in law, government, economics, natural sciences and mechanical and electrical engineering has more than doubled, whereas there has been very little increase in the numbers studying philosophy, philology, theology and even medicine. It is not difficult to understand this leaning toward practical pursuits when one realizes that there are some 30,000 or 40,000 university-trained students unemployed in Germany today. A *Gymnasium* teacher must work two or three years without pay, even after he has passed his university examinations, before he can obtain a definite position. The *Privatdozenten* spend a much longer apprenticeship without pay. The other professions are overcrowded. All this may explain why Hitler's national socialism has found such a ready response among the university students. It is hard to tell just what proportion of the students are "Nazis," but probably 30 or 40 per cent is not far from wrong, though the Hitlerites them-

selves claim a much greater following.

In spite of social changes and desperate conditions, German students are still admittedly quite religious. Only 1½ per cent belong to no church or religious organization.

By far the most interesting development arising from the conditions after the war is the German *Studentenwerk*, the Students' Cooperative Association, which, it is claimed, is today the largest students' self-help organization in the world. The great number of students returning to universities after the war found that conditions had changed. Many of them were hard pressed by lack of funds and by the hunger blockade. From 1921 to 1923 over 60,000 students, more than half the total number, were forced to earn a large part of their subsistence by working in factories, mines and on farms. (Today, only a few can find employment during vacations and term time.) Consequently over \$500,000 worth of goods were sent to help the German students so that they could continue their studies, the money coming chiefly from American students. Army field kitchens were set up in barracks and basements during the food scarcity. From this beginning have developed the student eating houses, *mensas*, which are often centres of social life as well. By 1925 these *mensas* at twenty-two universities were serving a daily average of 25,000 meals at somewhat less than 15 cents per meal. With the aid of private persons and a small general tax on the students, free meals have been arranged for a diligent 3 per cent or 4 per cent of advanced students who would otherwise not be able to continue their studies. In 1922 a student loan fund was established to lend money to advanced students at low rates of interest. Up to March, 1931, 25,000 students had received loans, which totaled \$2,750,000. At the same time assistance was arranged for sick students, many of whom were ill from the war and post-

war conditions and from overwork. Today some 200 students, the majority tubercular, are sent at the expense of the association every year to sanatoriums in Germany and other countries.

The inflation period, which wiped out most fixed incomes, also destroyed most of the scholarship funds available to students before the war. In 1924 a new group of scholarships, the *Studienstiftung des deutschen Volkes*, ordinarily amounting to no more than \$250 yearly per person, was founded. Of the 6,341 applicants since the founding of the fund, scholarships have been received by 1,442, 18 per cent of whom are the sons and daughters of workmen, whereas the children from working-class families make up only about 5 or 6 per cent of the total student body.

Along with this is an arrangement for sending German students to the United States for a two-years' stay to study and work in various American industries. Likewise, a smaller number of Americans are sent to Germany for the same purpose. About 70 per cent of the money to maintain these various activities has come from the German National Government, which from 1924 to March, 1931, had contributed over \$3,000,000 to a total of not quite \$4,200,000 for the *Studentenwerk* activities and about \$2,200,000 to a total fund of \$3,300,000 for the student loan fund. The rest of the money has come from German State governments, industries and private individuals.

The leaders in politics and industry seem to believe that students should be encouraged to go to the universities, especially those students from the lower classes of society, even though the universities are overcrowded and there are many unemployed graduates at present—a condition which, according to Chancellor Bruening, is undermining the faith of youth and is the greatest tragedy in present-day Germany. Indeed, this

whole student movement as well as the various writings about and by the German students shows both the faith of the German people in their universities and in their university

education and the feeling of social responsibility felt by the students themselves. Experience has shown Germany that such confidence will not be misplaced.

III

Threats of Revolution

By LINDSAY HOBEN

[Mr. Hoben, a member of the staff of the *Milwaukee Journal*, has recently returned from several months of close observation of European conditions. The following article records his impressions of Germany during the Summer of 1931.]

HARDLY a week goes by in Germany that barricades are not erected by radical, jobless workers in the streets of some city. Scarcely a day goes by that food shops are not plundered in several parts of the country. Barricades, barbed wire, broken windows, the occasional waving of Communist flags—and the dead. This deep-seated unrest does not show on Unter den Linden in Berlin, where the life of the gay cafés and the theatres goes on seemingly unaffected. It is an elusive thing, this ominous rumbling that breaks into thunder here and there, then disappears and later breaks out again. No one knows where it will strike next or how serious it will be.

It is late evening. Twelve thousand of Greater Berlin's several million Communists are holding a mass meeting in the Sportpalast. The police are in a state of "emergency," as they call it. Outside they are deployed in the square, along Potsdamerstrasse to the bridge. Police on foot, police on horses, police on motorcycles, police on bicycles, police in private cars, in express trucks and great, ponderous camions. They are armed with revolvers, long daggers and clubs. They are nervous. The meeting ends.

Out come the Communists. Tension. Suddenly shots ring out at the

corner of Alvenslebenstrasse and Potsdamerstrasse. No matter why; nobody knows. But in an instant there is tumult. The police turn on their searchlights, carefully placed in advance. Fitfully they play along the fronts of the houses from which shots seem to have come. The windows are deserted. More shots. Balconies on the second and third floors of many of the houses suddenly fill with police officers. Too often they have been attacked from above. This time they have the vantage points. They aid their comrades down below with shots, mostly to frighten the Communists. An officer is surrounded, isolated, seriously wounded. Before the police shots the mob begins to trample itself down. The wounded are taken away. For several hours the riot lasts. Hundreds of Communists are searched. Many are armed. Thud, thud, thud come the blows of the police clubs. At 1 A. M. all is quiet along Potsdamerstrasse. But such troubles are not confined to Berlin.

Here, for instance, is a cross-section of one week in Summer. It is in Cassel. Hundreds of unemployed Communists surge through the streets. They meet a police band. A hail of stones. In Marktgasse and in Wildemannsgasse (narrow streets) the police are pelted with flower pots from the house windows. A police captain falls with a bullet through his stomach. He is dead. Reserves are called. Until 1 in the morning the salvos of police revolvers are heard. A ci-

vilian non-participant falls dying. Shop windows are smashed. Plundering begins. Next morning 1,000 marks reward is posted for the arrest of the rioter who killed the captain.

It is the same night in Frankfurt-am-Main. Shooting, fighting. No one is killed, although the police commandeer an auto and drive through the streets, beneath a hail of flower pots, firing right and left. And the same day in Berlin Communists in the industrial suburb of New Cologne riot, shouting, "Give us bread!" Also on the same day in the Wedding district of Berlin 200 Communists riot, smashing windows of stores and banks. Similar events occur in Bremen. In Wuppertal food shops are raided. In Barmen police and Communists clash and in Duisburg there is trouble. Ten thousand Communists gather in Hamburg to protest events growing out of rioting a few days before. In the clash which follows, five Communists are seriously wounded by police bullets. Until 2 A. M. the police are pushed to the limit to keep these self-styled "Communist troops" in hand.

But this Hamburg protest grew out of the fighting two days before in which Communists raided scores of food stores, erected barricades in the streets and sought to trap the police by stringing barbed wire entanglements behind them after street lights had been destroyed. Police reserves with searchlights aided in quelling the riots as stones and pots were hurled from upstairs windows. As barricades were torn down they were re-erected. It was dawn before quiet reigned again. This riot followed one a few days earlier in which there were several deaths.

These are but a few of the concrete examples of the disorders which wax weekly more serious. No part of the Reich escapes. In Mannheim, in Elberfeld, in Altoetting, in Solingen, Dueseldorf, Bochum, Essen, Wanne-Eickel, Darmstadt, Bethen, Eisenach and a dozen other cities there were riots

and plundering the same day serious enough to be telegraphed to Berlin as news. From behind some barricades came the cries of "Hurray for Soviet Germany."

Is Germany facing revolution? One might easily be deceived and lulled into a false security in traveling through the country. Mathematically, the chances are slight that one would run into a riot. A revolution seems a remote possibility as one sits at a café on Unter den Linden or Kurfürstendamm. But there are disturbing signs even here.

With ill-feigned nonchalance two, four, six, eight, ten mounted police in blue coats, black breeches, shining metal helmets ride up and down like patrolling cavalry. A few blocks away at Friedrichstrasse and Leipzigerstrasse five police on foot, well armed, pretend to be loafing. At the next corner two, at the next corner three. Now and then a motor truck of police cruises by—row behind row, stiffly erect, ready for action. The police watch in the Brandeburger Tor is an arsenal. Day and night one or more trucks stand in readiness just outside the door. The police are on emergency orders. They are often on emergency orders nowadays. The atmosphere is tense. A shot is heard or a commotion. A crowd gathers almost instantly. The word passes from lip to ear—"Is it revolution?" It is merely a mad dog. A policeman has shot him. Or again it is a drunken man. Laughter. But the nervousness remains. Germany is not at ease. The panicky days of June and July showed that—when the mobs besieged the doors of banks after they had suspended payment following government orders. The feeling is entirely different from the atmosphere in Germany in 1924 as the country emerged from the ruinous inflation of the currency. The tension today and the vigilant police remind one strangely of an army of occupation that keeps watch over alien streets—temporarily.

"A spectre is haunting Europe—the spectre of communism." Those opening words of the *Communist Manifesto*, issued in February, 1848, by Karl Marx and Friedrich Engels, are applied by reactionaries to Germany today. The 3,262,584 Communist votes in the German elections of 1928 grew to 4,590,179 in 1930—more Communists than there are today in Soviet Russia and many times the number of Communists who carried through the Red revolution in Russia in 1917. Since the last election the Communists have gained tremendously in Germany. Local elections have shown that. Red strongholds in Berlin in which the Communists dominated two to one in 1930 are now Communist in a ratio of four to one.

"No water—no bread; Chemnitz grows red," is the little rhyme scribbled on the houses in Chemnitz during Red riots. German bolshevism grows from within, not from the propaganda of Moscow. The propaganda is merely the sickle that reaps the revolutionary grain. And the Red grain of discontent ripens rapidly these days in Germany. Why? Part of the answer is to be found in some of the unbeautiful parts of Berlin that the tourist never sees, that even most Germans and many Berliners do not visit. It is a "tough" section near the Schleischer railway station in east Berlin along Fruchtstrasse. Into this station each day come many families from the country or from Poland or Czechoslovakia looking for work. Many leave again. Some settle. This part of Berlin has always been radical. Before the war it was a Socialist stronghold. It elected William Liebknecht, first Socialist member of the Prussian Landtag forty years ago. In this neighborhood today Socialists are conservative. Here all is Communist now. Part of the reason is revealed by a social worker who has lived there twenty years.

Of 310 families which he canvassed, only half the family heads had

work and many were on part time. Many of these men had been jobless for two, three and four years. Worst of all were the middle-aged former clerks who had been unemployed for six years. In this district people now live six and seven in a room. Families with one room take in a "sleeping boy" who pays 50 cents a week for a place to lie down between the hours of 10 P. M. and 7 A. M. He may not use the room during the day. A "sleeping boy" helps the family income. There are 90,000 flats in this district with one to three rooms each, with an average of 3.6 persons living in each room. Of the 90,000 flats, 2,133 are cellars with 6,400 persons living in them. There are only 253 bathrooms in the entire 90,000 flats; only 41 per cent of the flats have toilets. Often there are toilets in the courtyards, one to six families.

Berlin is no worse than great industrial cities in the Rhineland; yet only 66 per cent of severe tubercular cases have their own beds to sleep in here; one-third must sleep with others. Only one Berlin consumptive in 100 has a room to himself, according to Eugen Diesel, a German writer. Millions live in utter horror, despite the fact that German slums do not look half as bad as American or English. America has four times as much per capita housing room as Germany, according to German economists. Yet this cannot all be blamed on the war. In the section of Berlin just mentioned the standard of living, low as it is, was higher two years ago than before the war, in the opinion of German social workers living there. Wage and cost statistics bear this out. The crisis at present for these poor workers is solely the result of unemployment.

An idea of how an unemployed family ekes out an existence may be illustrated by the following real case: Karl is a teamster, 41 years old, with a wife and four children. He has two rooms, a kitchen and a

hall—better than most workers. He gets 95 marks (\$24) a month from the unemployment insurance fund, and a "sleeping boy" pays \$5 a month, which is high, because this lodging is better than the average. The monthly income is then \$29 and the rent is \$7 a month. Karl and his family live on the \$21 a month plus about \$4.50 worth of food given by the church and free meals that two children get at school. He incurs no debts. In this respect he is luckier than many. Living costs in Germany cannot be judged by the low rents. Aside from this item they are, perhaps, one-third lower than American prices.

Karl's family can be considered as an example of the best condition of an unemployed workman. But his \$24 monthly income from insurance is cut to about \$15 after he has been jobless for twenty weeks and sinks even lower after another thirteen weeks. Karl and his like are willing listeners to the partisans of bolshevism. It is the same with young people of the former middle class when unemployment hits them. Albert and his sweetheart saved for three years to get married. A year later he lost his job during the wave of depression. Piece by piece he and his wife sold their furniture. For two years Albert has sought a job. He has found none. Today he is a Communist. So is his wife.

Things have been bad along Fruchtstrasse before, bad in Berlin, bad in Germany. During the war and during the period of inflation up to 1924 there was actual starvation—death from starvation. But there was always hope. In the darkest days of the war the people said, "It is war. It cannot last forever. It will be over soon and all will be better." They said the same during the inflation. It could not last. They knew it could not last. But all is different now. There is no hope to be found in the conversation of thousands of Ger-

mans, from bank directors down to jobless day laborers.

There is a man, head of family, who lives up near Alsace and Lorraine Streets—streets of lost hope and "lost" provinces. He now earns \$3 a week working part time. He could receive twice as much from the unemployment insurance if he did not work at all. But he will not give up. "If I lose this job," he says, "I know, I feel it in my heart, I will never work again." There are hundreds of thousands of jobless German workers today who believe they will never work again. There are hundreds of thousands more who fear that if they lose their present places they will never work again.

Financiers and leading German bankers talk about canceling reparations to save Germany. The humble folk are not so sure that reparations have much to do with their plight. Many have no solution; many turn toward Moscow. There are the timid few who say, in the words of Caprivi, Imperial Chancellor after Bismarck's dismissal, that "Germany must export merchandise or she must export men." But foreign trade, although temporarily better, has shown \$1,500,000,000 deficit for the past seven years—and there are few places left for Germans to emigrate to.

With an area of 181,000 square miles, Germany has about 65,000,000 inhabitants. Germans are "alarmed," as frequent comment reveals, because it is only gaining 415,924 persons a year by surplus of births over deaths (1930 figures). This is about half as much as pre-war years showed. Germany regrets the fact that there are no important places in the world today to which she can send her surplus population. Still Germany does much to encourage bigger families. The Reich offers increasing exemptions for families of more than five children. For the first child the head of the family may claim

\$30 a year exemption in reckoning income tax; for the second child he may claim an additional \$60; for the third an additional \$120. But each child after the fifth is worth \$240 a year in tax exemption, or six times as much as the first child. That is not all. This negative aid is supplemented in some parts of Germany by the local governments, which pay a bonus for large families. The Prussian Welfare Ministry has for some years made a present of \$50 to a family for its twelfth and each additional child. But since the budget is sorely strained this year, owing chiefly to unemployment, Frau Dr. Freifrau von Watter, a deputy, made a suggestion in the Prussian Landtag in June, that perhaps the *thirteenth* child and the following should only be worth \$25 each to the parents.

So many and so real are Germany's troubles now that the German constantly refers to the happy days "before the war." This has become the habitual introduction to any German tale of woe. Then follows a story of how wonderful things were then, of how all Germany's ills are the result of having lost the war. The figures of the Statistische Reichsamt (a government research bureau, highly official) do not always bear this story out. They actually reveal that the standard of living for the workers in Germany was higher two years ago, despite all taxes and reparations, than before the war. Furthermore, always excepting the unemployed, the standard of living today for the German worker is higher than before the war. This does not apply to the upper classes and middle classes who lost much in savings as well as privileges.

In the brewing industry, for example, which includes every sort of work from brewmaster to truck driver, the average working week in 1914 was fifty-seven hours and the weekly wage \$8. Now the average working week is only forty-eight hours and

the weekly wage \$14. Thus wages have increased about 75 per cent. Living costs have not increased anywhere nearly as much, the official German figures showing a 37 per cent increase over 1914, including the taxes on necessities of life. Even if income taxes and social insurance taxes, which have about doubled since before the war, are deducted, the average worker—with a job—is still better off than before the war. Moreover, his working week is shorter and he is insured against illness, unemployment, accident, and so on. But this does not cheer the jobless.

Stand with the director of a group of Berlin higher schools, looking at a graduating class. "What will these young men do when they leave here in a few months?" he is asked. He smiles grimly. "They will go on the 'dole,'" he answers. They will join the idle discontented who drift toward communism. They want to work. They cannot. A German manufacturer gets an order. He calls in workmen for a few weeks, a month. The order is filled. The workmen are discharged. Again they drift. Artisans lose their skill, their pride in craftsmanship. They are willing to do anything. They do nothing.

To keep the unemployed alive the German Government is spending more than \$2,225,000 a day—not including private charity—merely unemployment insurance and emergency expenditures for those too long out of jobs to draw further insurance. The real cost cannot be estimated, but it is more than the basic figure of \$2,225,000 for the 4,355,000 registered German jobless as reported by the Reich on Oct. 1, 1931. Many of the unemployed are, of course, heads of families. When analyzed during the Summer 1,000,000 of the then 4,000,000 unemployed had been jobless six months to a year, an increase of 174 per cent over those in a similar classification the year before. An additional 1,500,000 unemployed had

not worked for a year or more—some not for six years.

The unemployment insurance system has completely broken down and is now running ever-increasing deficits which the Reich is meeting by special taxes. In 1930 there was more than a \$175,000,000 deficit in the unemployment insurance fund for those persons out of jobs for twenty-six weeks or less. This year the German Government is planning to meet a deficit of \$100,000,000 even after two upward revisions that were intended to yield more income to the insurance fund. Figures, when they reach the proportions of Germany's unemployment costs, are apt to be confusing, but when one realizes that Germany will pay out twenty times as much in 1931 as in 1929 for unemployment insurance one senses the situation.

Little improvement is yet in sight. There was a seasonal decline from the first of the year of about 1,000,000 unemployed, from 5,000,000 to about 4,000,000 in July, but the figures as Winter approached again attained 4,355,000. The first six months

of 1931 showed unemployment to be 50 to 60 per cent worse than a year before, and the Reich, according to the government research bureau, is planning to meet unemployment of 5,500,000 this Winter. One person in every five normally employed is without work.

That, of course, is why the youth of Germany drifts toward two revolutionary parties—the National Socialists of Hitler on one side and the Communists on the other. That is why barricade and riot, plundering and death make Germans wonder whether they face revolution.

[In connection with Mr. Hoben's reference to the Hitler and Communist movements, it is significant that in the local elections in the State of Mecklenburg-Schwerin on Nov. 1, the National Socialists won another sweeping victory, while the Communists increased their representation at the expense of the Social Democrats. For further developments in Germany see Professor Sidney B. Fay's article in the "Month's World History" section of this magazine.]

The World's Trade Unions Today

By MICHAEL B. SCHELER

IN almost all civilized countries outside the American continent trade unionism is one of the means whereby the working class hopes to capture the modern State and carry on industry in the interests of those who produce, though in the meanwhile every effort is made to raise wages, shorten hours and generally improve labor conditions. As in politics, there are among the trade unionists of the world many schools of thought and methods of striving for labor's goal. Some unions adhere to revolutionary programs; others favor evolutionary and conservative methods. Some go as far as to advocate violence, sabotage, mass strikes, general strikes and national and international boycotts against the capitalist class and its purposes; others believe in evolutionary and peaceful progress by means of education, propaganda and moral pressure.

The trade unions of the world may be roughly divided into the following principal camps, each of which has its own conception of the future society:

1. The free unions, affiliated to the International Federation of Trade Unions, better known as the Amsterdam International, though with headquarters since July 1, 1931, in Berlin.
2. The Communist unions, affiliated to the Red International of Labor Unions, with headquarters in Moscow.
3. The syndicalist unions, affiliated to the International Workingmen's Association, with headquarters in Berlin.

4. The denominational trade unions, Catholic and Protestant, affiliated to the International Confederation of Christian Trade Unions, with headquarters at Utrecht, Holland.

5. Miscellaneous unions, not affiliated to any international, but pursuing independent aims and employing independent methods. In this group we find the American Federation of Labor.

According to reliable statistics gathered from official sources in all groups of trade unions, there were 44,190,525 workers in the ranks of organized labor on Dec. 31, 1929. Of these 80.1 per cent were in European countries, 15.7 per cent in America, 2.3 per cent in Australasia, 1.7 per cent in Asia and 0.2 per cent in Africa.

Before the World War the trade union movement was developing steadily and was growing in influence and financial resources. After the temporary halt to its activities caused by the war, the movement once more became vigorous and by 1921 already occupied the position it held in August, 1914. According to a study of the International Labor Office of the League of Nations, there were 10,835,000 organized workers in twenty principal countries of the world at the end of 1910 and 32,680,000 at the end of 1919—a threefold increase, although a small part of the increase shown by the figures was attributed to the greater completeness of the returns and another small part, prob-

ably about 10 per cent, to the natural growth of population. "During the war," it was pointed out by a writer on the subject, "unionism received a check, especially in the belligerent countries. The decline was especially great in Germany, Austria, Hungary, Italy and Czechoslovakia, but in all these countries trade union membership began to increase in 1917. The end of the year 1919 saw a phenomenal increase, especially in the Central European States. For European countries only, the membership at the end of 1919 may be put at 26,000,000 at least, as compared with about 8,500,000 at the end of 1910." The growth of the trade union movement from 1910 to Jan. 1, 1929, is shown in the following table of the total number of members in the principal countries of the world:

(Numbers given in thousands)

COUNTRY	YEARS			
	1910.	1915.	1920.	1929.
Argentina	*	*	68	112
Australia	302	528	684	912
Austria	200	112	985	999
Belgium	139	*	920	725
Canada	120	143	374	300
Czechoslovakia ..	100	40	1,650	1,738
Denmark	124	173	362	311
Finland	15	30	59	90
France	977	*	1,788	1,200
Germany	2,960	1,524	13,000	8,694
Great Britain....	2,400	4,199	8,493	4,673
Hungary	86	43	343	177
Italy	817	806	3,100	3,000
New Zealand....	57	68	96	106
Norway	47	78	154	108
Rumania	8	17	170	41
Serbia (Yugoslavia)	7	12	47	60
Spain	41	76	373	291
Sweden	115	151	390	564
Switzerland	75	65	312	265
United States....	2,100	2,860	4,924	4,443
U. S. S. R. (Soviet Russia)...	*	*	5,222	12,000

*Figures were not obtainable.

On Aug. 1, 1931, there were approximately 44,000,000 organized trade unionists throughout the world. Of these the Communists claimed 12,800,275, a gain of over 1,000,000 since Jan. 1, 1929, and the denominational group 2,150,000, a gain of only 39,438 since the same date, while the other groups maintained practically the same position.

Though there had been some drop in union membership in 1923 and 1924,

the normal tempo was regained by the end of the years 1927 and 1928, as will be seen from this table:

MEMBERSHIP OF TRADE UNIONS OF THE
WORLD BY CONTINENTS.

Continent.	Years		Percentage of World Trade Union Movem't.	
	Jan. 1, 1928.	Jan. 1, 1929.	1928.	1929.
Europe	33,936,784	35,392,081	73.5	80.1
America.	7,416,491	6,947,296	16.1	15.7
Austral-				
asia ...	991,652	1,018,457	2.1	2.3
Asia	3,697,800	742,194	8.0	1.7
Africa ..	144,333	90,497	0.3	0.2
Total...	46,187,060	44,190,525	100.0	100.0

From 1921 to the beginning of 1929 organized labor was distributed among the five principal camps throughout the world as follows:

	1921.	1924.	1929.
Free trade unions	22,411,826	17,703,431	19,862,307
Com'unist.	7,069,000	7,333,845	11,706,906
Denom't'al	3,759,106	2,112,109	2,120,562
Syndicalist	1,254,217	471,439	323,643
Other or- g'n'z't'ns.	11,778,983	8,442,887	10,177,107
Total....	46,273,132	36,062,711	44,190,525

At one time the American Federation of Labor was affiliated to the International Federation of Trade Unions, but, the aims of the two organizations being so radically at variance, a rupture came in 1920. The International Federation of Trade Unions, known also as the "free unions International," is Socialist in thought and tendency. Many of its leaders are also prominent in Socialist parties and some hold or have held important posts in Labor or Socialist Governments in various countries. On burning problems of the hour, it holds joint conferences with the Socialist International and affixes its signature to joint manifestos. In fact, it is the economic weapon of the Socialist movement of the world and openly declares that socialism is the ultimate goal of its organization and the justification for its existence. But it is evolutionary in character. It prefers propaganda to violence, reform to civil warfare, education to class hatred, and, with the Socialist International, it hopes to usher in the Co-

operative Commonwealth by the means of democracy and not revolution.

At the meeting of the general council of the International Federation of Trade Unions, held at Prague in May, 1929, the economic policy of the federation was couched in these terms: "The unprecedented concentration of capitalism during the last few years and the increasing competition for new markets and for the control of raw materials call for constant vigilance from the national and international trade union movements. In order to keep up its competitive capacity, every country and every enterprise endeavors to produce larger quantities of goods at lower costs. The organized working class does not oppose this process of development. But it must resolutely combat the unmistakable policy of the employers to appropriate for themselves alone the benefits of more systematic methods of production, which might be otherwise enjoyed by all mankind. Employers' attempts to keep the share of wages in production as low as possible and to force down the standard of living of the working class must be resisted, and a higher standard of living, in keeping with the increase in productive capacity, attained."

From its "Declaration of Principles" we learn that, in introducing socialism as early as possible and wherever conditions warrant, "it is essential that commencement should be made forthwith on the socialization of minerals (coal, ores, salt, phosphate, &c.), all transport undertakings, and, generally speaking, on all branches of production which, in the estimation of the proletariat of every country, are realizable." This transformation is not to be effected "by mere transfer of industrial control to the capitalist State, but by active participation of the whole population in industrial and national control, exercised in conjunction with the appropriate trade unions."

The Communist camp occupies the second position in the ranks of organ-

ized labor of the world. The Communist unions are not "free"; they are not even autonomous entities. They are directly affiliated to and completely merged with the Red International of Labor Unions of Moscow, and through it, with the Communist Third International. Every local, every centre, national or international, which is a member of the Red International must implicitly obey orders or face expulsion.

The Communist unions have had their ups and downs, as we have seen from the foregoing figures, and though they are slightly on the decline in European and American countries at present, they still constitute a formidable force, and more particularly, a threat to the supremacy of the "free unions." In contradiction to reports from "free union" sources, that the Communist unions are on the wane, others emanating from the headquarters of the Red International declare that it is the International Federation of Trade Unions that is declining, for its membership has dropped from 23,907,000 in 1921 to 14,000,000 in 1930, while the Communist union membership has steadily risen from 7,000,000 in 1921 to nearly 13,000,000 in 1931. According to A. S. Losovsky, secretary of the Red International of Trade Unions, there are approximately 18,000,000 Communist trade unionists in the world if there be included the numerous "sympathetic" organizations and "revolutionary minorities" within the free unions and Socialist societies which hope to convert those organizations by "boring from within."

The Red International of Trade Unions, as the economic weapon of the Third (Communist) International, boldly proclaims that the world revolution, the overthrow of capitalism and the inauguration of the proletarian dictatorship are its fundamental and immediate objectives. It categorically rejects all compromise with capitalist reformers and bourgeois henchmen, and even refuses with con-

tempt to associate with the representatives of the "free unions" and of the Second (Socialist) International, whom it frequently accuses of being in the pay of the bourgeoisie and of deliberately misleading the class-conscious proletariat.

The methods of the Red International of Trade Unions include the class struggle, strikes, violent or peaceful, world-wide boycotts and international mass action against the possessing classes, revolutions against domestic and international enemies and the capitalist class of the bourgeois world. The Communist unions, united with the Communist parties, will not be content until the capitalist class, with all its sympathizers, is annihilated, root and branch, from the face of the earth. The constitution adopted at the first world congress of the Red International of Trade Unions, held on July 3, 1921, formulated the following as its aims and purposes:

1. To organize the large working mass in the whole world for the overthrow of capitalism, the emancipation of the toilers from oppression and exploitation, and the establishment of the Socialist commonwealth.
2. To carry on a wide agitation and propaganda of the principles of revolutionary class struggle, social revolution, the dictatorship of the proletariat and revolutionary mass action for the purpose of overthrowing the capitalist system of the bourgeois state.
3. To fight against the corrupting ulcer, gnawing at the vitals of the world labor union movement, of compromising with the bourgeoisie, against the ideals of class cooperation and social peace and the absurd hopes for a peaceable transition from capitalism to Socialism.
4. To unite the revolutionary class elements of the world labor union movement and carry on a decisive battle against the International Labor Office attached to the League of Nations and against the Amsterdam [now Berlin] International Federation of Trade Unions, which by their program and tactics are but the bulwark of the world bourgeoisie (capitalist class).

This declaration has been reaf-

firmed with unanimous acclaim at all subsequent congresses of the Red International, nor has its attitude changed toward the International Federation of Trade Unions, as will be seen from the following resolution adopted by the Central Council at its third session in Moscow in June, 1923: "The attitude of the R. I. L. U. toward the Amsterdam International remains unchanged, that is, merciless struggle as before against reformist theory and practice; also against co-operation of classes as practiced by the Amsterdam International. But we are ever ready to create a united front for fighting our class foes." This attitude was restated in 1928, at the Fourth World Congress in Moscow, in a resolution which branded the Amsterdam International as an "organic part of the bourgeois-capitalist system," and as such even more dangerous to the proletariat than capitalist associations which openly declare their antagonism to the working class.

Again at the Fifth Congress of the Red International of Labor Unions in Moscow in August, 1930, the aims and principles of the original constitution were reaffirmed in sharper terms and the workers of the world were called upon to take advantage of the world-wide unemployment crisis and prepare for the revolutionary struggle against the capitalist class. The Amsterdam International again was derided as the traitor to the working class, and the congress pledged itself to fight it to the bitter end.

The third position in the organized labor movement is held by the denominational trade unions, the Christian unions affiliated with the International Confederation of Christian Trade Unions, with headquarters at Utrecht. Its formation was inspired by the encyclical of Pope Leo XIII, "On the Condition of the Working Class," in which he said: "Christian workingmen must do one of two things—either join associations in which their religion will be exposed to peril or form associations among

themselves, unite their forces and shake off courageously the yoke of unrighteous and intolerable oppression." The following organizations are known to be affiliated to this trade union confederation:

COUNTRY	NAME OF ORGANIZATION	MEMBERSHIP
Austria	Central Committee of Christian Trade Unions...	78,561
Belgium	Federation of Christian Unions	202,202
Czechoslovakia	German Federation of Christian Trade Unions...	15,000
France	Confederation of Christian Workers	125,000
Germany	Federation of Christian Trade Unions	1,142,956
Hungary	Federation of Christian Trade Unions	113,855
Italy	Italian Confederation of Workers...	1,052,694
Luxemburg	Federation of Christian Trade Unions	500
Netherlands	Federation of Roman Catholic Unions	134,703
Spain	Federation of Catholic Trade Unions	42,319
Switzerland	Confederation of Christian Trade Unions	14,959
Yugoslavia	Federation of Christian Trade Unions	9,990

At its peak in 1921 the Christian Trade Union International claimed a membership of 3,759,106. Since then it has suffered a steady decline, dropping to 3,025,525 in 1922, 2,149,069 in 1927 and 2,120,562 in 1928. In 1930, for the first time since 1921, it reported a slight gain over the preceding year. Ideologically it is extremely conservative, rejects the class struggle, confines itself exclusively to the advocacy of a few mild reforms, condemns all "isms" and holds Christianity as the sole and ultimate salvation of the working class. It attacks particularly the Syndicalist and Communist unions, where atheism manifests itself.

The fourth position in the labor movement is held by the Syndicalist unions, affiliated to the International

Workingmen's Association, with headquarters in Berlin. Its strength comes mainly from the Latin countries, such as Portugal, Spain, Italy and France, and from some South American countries, where the Latin element predominates. At the end of 1923 the Syndicalist International claimed the affiliation of the following national labor bodies:

COUNTRY	ORGANIZATION	MEMBERSHIP
Argentina	Federacion Obrera Regional	150,000
Austria	Bund der Herrschaftslosen Sozialisten	500
Brazil	Federacao Operaria do Rio de Janeiro	*
Chile	Industrial Workers of the World....	*
Denmark	Syndicalistic Propaganda Group ...	200
Germany	Freie Arbeiter Union	100,000
Italy	Unione Sindicale Italiana	*
Mexico	Confederacion General de Trabajadores	100,000
Netherlands	Nederlandisch Syndicalistisk Vakforbond	8,000
Norway	Norsk Syndikalistisk Federation...	2,000
Portugal	Confederacao Geral do Trabalho.....	150,000
Spain	Confederacion Nacional del Trabajo	200,000
Spitzbergen	Syndicalistic Federation	*
Sweden	Sveriges Arbetares Centralorganisation	35,000

*Figures were not given.

During 1924 the membership of this International was increased by the adhesion of a number of Anarcho-Syndicalist labor unions in Japan, headed by the Nippon Insatsu-ko Rengo-Kai (Printing Workers' Federation), and in China, Cuba, Guatemala, Uruguay, Bolivia and Peru. More recently, however, its numbers have dwindled considerably, since many of its members have come under the influence of the Red International. From a membership of 1,254,217 in 1921 the Syndicalist unions dropped to less than 300,000 in 1930. While this trade union International is also a revolutionary organization and firmly believes in the class struggle, its distinctive attitude is distrust of political action, the

State and centralized bureaucracy. Its conception of the society of the future is more in agreement with the decentralized system of social and economic intercourse as conceived by the philosophic anarchists than with the overcentralized State of the Marxian Socialists and Communists. But the progress of the Soviet Union has appeared so impressive to the rank and file of the Syndicalist trade unions that they have gone over in thousands to the Red International of Trade Unions and of the Third International.

Substantial numbers of organized workers are found in the ranks of the miscellaneous bodies. They are not associated with any international and are generally affected by their immediate industrial, social and political environment. They have no dogmas or doctrines to preach, no utopia to offer. They confine themselves principally to trade-union activities—demands for higher wages, shorter hours, better working conditions and more humane treatment. They are largely non-revolutionary in character, and frequently cooperate with the dominant political parties and employers' associations of their countries.

In this group we find the American Federation of Labor, which is not affiliated to any international, although when forced to choose it would undoubtedly lend its aid and sympathy to the Socialist International Federation of Trade Unions; the Industrial Workers of the World of the United States and Canada, which, though manifesting Syndicalistic tendencies on many occasions, has not affiliated with the Syndicalist International; the many independent and conservative trade unions, such as those in the transportation industry, with a membership of 800,000, which, though following in the same

course as the American Federation of Labor, are neither affiliated to the American Federation nor to any international federation of trade unions; and most of the trade unions in the South and Central America.

In addition to the active and official trade union bodies, there are various unofficial, sympathetic labor societies which function as propaganda channels for the cause of trade unionism. Such a body is the Pan-American Federation of Labor, which aims to cement the interests of organized labor of the Americas; the Pan-Pacific Trade Union Secretariat, which serves the ideals of Lenin in the countries of Asia, Africa, South America and the Far East, in the same way as the Pan-American Federation of Labor carries out the ideas of Gompers in the Americas.

Mention should be made in this connection of the International Labor Office, one of the organs of the League of Nations. In its councils are found many prominent men and women active in the labor and Socialist movement of the world. The Workers' Group on its governing body includes such leaders as Jouhaux of France, Mertens of Belgium, Moore of Canada, Muller of Germany, Poulton of Great Britain and Thorberg of Sweden, all of whom are active in the trade union movements or Socialist parties of their respective countries. Though non-political in character, the International Labor Office has made important studies in many fields of industrial activity which have proved of great propaganda value to the labor Internationals of all camps, including that of the Communists. The I. L. O. is at all times ready to lend its cooperation to any legitimate trade union body or labor society and to promote the immediate demands of the free and independent unions of the world.

Benes: A Diplomat of the New Europe

By ROBERT MACHRAY

Author of "The Little Entente"

WHEN last March Austria and Germany sprang on the world as a *fait accompli* a pact or protocol for a customs union, many voices were raised in protest. Prominent among them was that of Dr. Edward Benes, Foreign Minister of Czechoslovakia and spokesman since its inception of that union of Czechoslovakia, Yugoslavia and Rumania known as the Little Entente. Fiercely attacked for his stand, Benes was denounced as selfish, narrow, prejudiced and provincial. It was said, and not for the first time, that he was the greatest obstacle to peace in Europe. The World Court handed down a verdict hostile to the customs union, however, and its makers, in postponing indefinitely the pact as a result of the decision, submitted to the element of which Benes has long been a leader.

Edward Benes and his policy have often been assailed both in his own country and abroad. In Czechoslovakia his attitude toward Soviet Russia has aroused criticism; in some League circles the Little Entente is considered a political organization out of keeping with the spirit of the League; Lloyd George and others in England accuse Benes of undue partiality for France and profess to regard the Little Entente and Poland, as well, as French vassals. What is the truth about this much admired and much maligned man?

Among the decisive events which preceded the fall and dissolution of the Habsburg Empire, Austria-Hungary, one of the most memorable took place on Oct. 14, 1918, when the Czechoslovak National Council in Paris transformed itself at a stroke into the provisional government of the independent State of Czechoslovakia, consisting mainly of Bohemia and Moravia, the homelands of the Czechs, and of Slovakia. The official note announcing this great political change was drawn up, signed, sealed and delivered to the Allied and Associated Powers by a certain Dr. Edward Benes, who had been Secretary-General of the National Council since its organization in 1916, and was acting in concert with Professor Masaryk, the head of the liberation movement, and with others in Prague and elsewhere. Two days later the Emperor Charles published a manifesto proclaiming the federalization of Austria, but he was too late. Benes had forestalled him and had in effect passed sentence of death on his empire. In 1916, in the early stage of the liberation movement, Benes had brought out a book in Paris entitled *Détruisez l'Autriche-Hongrie! (Destroy Austria-Hungary!)* It had had few sympathizers then, but everything became altered, as was immediately evident in Masaryk's declaration of Czechoslovak independence at Washington, in Lansing's famous let-

ter expressing President Wilson's recognition of that independence and in the swift recognition of the new State by the Allies generally. In two or three weeks all was over; Austria-Hungary was no more; Czechoslovakia was very much alive.

It was during that fateful time that Benes first stood out a figure of significance in the high politics of Europe and the world. Nor was it long before he was everywhere looked on as one of the foremost statesmen of the day. Before the World War he was practically an unknown man. On the title page of the book mentioned above he described himself as "Privatdocent of Sociology in the Czech University of Prague." He never reached a professorship, though he might have done so but for the war, had that remained his desire.

Edward Benes was born on May 28, 1884, at Kozlany, in Western Bohemia; unlike Masaryk, who is Slovak, Benes is pure Czech. His parents were poor peasants, and he was the youngest of their ten children; for all of them life was hard. In 1896 he went to live with his brother Wenceslas, who had risen to be a teacher in an advanced elementary school in Prague, and he spent the next six years in acquiring a fairly sound education, though he did not get very good marks from his masters, for he interested himself in subjects outside the curriculum, one of which was French. He was keen on sports of all kinds; while playing football he broke his leg. To this day Benes has not lost his love of sports. He puts up a strong game of tennis and is the sort of opponent who is difficult to beat because of his agility, resource, courage and determination to win. It is said that he never fails to get and return every possible ball—rather characteristic of a statesman who acts on the principle that *l'art politique c'est l'art du possible*. The two last words almost sum up Benes and his policy.

At the Czech University (there is a German University, too) in Prague he attended the classes of Professor Masaryk and others. From 1906 to 1908 he studied abroad—two years in Paris, some months in London and a year in Berlin, whence he returned to France and took the degree of Doctor of Law at Dijon. Of this formative period in his life Benes has himself given an account, very frank and self-revealing, in the first part of his book which in the English version (1928) is called *My War Memories*. He was trying to find himself, and he speaks freely of his mental struggles and other experiences while seeking and arriving at a philosophy of life, but it was not till some time after his return to Prague that, he tells us, he "hacked his way through to settled views." One thing that emerges is his attachment to France, and another is his feeling that Prussian militarism, coupled with Pan-Germanism, must end disastrously; "the effect it produced on me as a member of a small neighboring nation was a disturbing one," he states. While abroad he maintained himself with difficulty by journalism.

During the next seven years Benes lived chiefly in Prague, where in 1909 he obtained the not very important post of lecturer in economics in the Academy of Commerce; later he took his degree of Doctor of Philosophy. He still did journalistic work and he made some contacts with the Czech political groups, finally entering the Realist party of Masaryk. His chief aim, however, was to obtain a university position and he took no active part in practical politics, which was an old game with the Czechs, who had played it with zest both in the Reichsrat in Vienna and the Bohemian Diet in Prague. It had its professionals, programs and traditions, the principal participants being the Agrarian, Social Democrat, Young Czech and Clerical parties. Masaryk's Realists, drawn from the intelligentsia, were weak in numbers though not without

influence on the other groups. Benes certainly made no special mark, and in after years it told against him that he had not been a politician of importance, for the older men were inclined to regard him as an upstart, and some of the opposition to him in Czechoslovakia, even today, has its roots in that idea.

It was the World War that not only brought Benes out of obscurity, but discovered himself to himself and at the same time presented to him a wonderful field for his gifts of initiative, diplomacy and organization. His capacities developed with the occasion and its needs. In *My War Memoirs* the student of character may see how the man grows in stature and rises from strength to strength as the story unfolds itself. Benes was 30 when war broke out; the call, of which he had no doubt and to which he never ceased to respond with his whole being, had come to him, and he immediately resolved "to go to any length and to sacrifice everything to carry out a revolution" in Austria-Hungary and achieve the liberation of his country. To most sober minded people it must have seemed a mere dream, but to him it was possible of realization—and he was right.

In forming an estimate of Benes and his achievements it is essential to bear in mind his implacable antagonism to the Habsburg Empire and all that it stood for, and his invincible determination to destroy that empire and gain independence for his country. That, too, was the political platform of Masaryk, whose chief lieutenant and co-adjutor he became; in the latter rôle the initiative frequently lay with him, and he proved equal to the opportunity. Masaryk escaped from Austria in December, 1914, but Benes worked for the cause in Prague and elsewhere until September, 1915, when at the risk of his life he succeeded in joining Masaryk in Switzerland, Masaryk afterward selecting London and Benes Paris as the re-

spective theatres of their campaign against the Habsburg Empire. Benes knew Paris well, and he had some friends among the professors at the Sorbonne, where he had once studied, but he had an uphill fight to interest French politicians and journalists. Finally, however, the force and lucidity of his arguments and his evident sincerity and unwearying devotion made a very definite impression and led to great results. Speaking some years after the war Benes said: "None of the great Allies had supported Czechoslovakia in all her political difficulties so much as France had done during the war and afterward." Again it may be noted that he regarded France with affection and gratitude, obviously with very good reason.

When in 1918 the first Czechoslovak Government was formed in Prague, Benes became Foreign Minister, but he did not return home till September, 1919, his whole time being employed in negotiations before and during the Paris Peace Conference. From those days to the present hour he has remained Foreign Minister of Czechoslovakia—in all, thirteen years, and as difficult years as any in history. He has been the one and only "permanent Minister" in Europe—to give him the title sometimes conferred on Briand admiringly, erviously or sneeringly. For some twelve months in 1921-22 he was also Prime Minister; his fall was caused by reshufflings within the national coalition of the five chief Czechoslovak parties that dominated the internal politics of the country from 1918 to 1926. Such reshufflings, or, in plain words, bargainings among the groups for place and power, are alien to Benes's temperament and character; he detests all such compromises with principles, for that is what they usually are. Since 1926 other Czechoslovak Cabinets have come and gone without displacing him.

This does not mean that his foreign

policy has met with the unanimous approval of the citizens of Czechoslovakia—even of the Czechs. It has been attacked inside and outside the Parliament at Prague, especially by the National Democrats, led by Dr. Kramarsh, the first Prime Minister of Czechoslovakia and an undoubted patriot. Kramarsh and his followers are opposed to Benes's policy toward Soviet Russia, with which country they would have no connection whatever, whereas he encourages trade relations with it, and more than once has said that he awaits only a suitable opportunity to establish diplomatic relations. The great majority of the Czechoslovak people do, however, support Benes; it would be passing strange if they did not, considering what he has done for the country. It is no more than the truth to state that so far as Czechoslovakia is concerned his foreign policy has been a continuous triumph from the start. Of his thirteen years in office nearly five have been spent abroad; he has attended and taken part, often a distinguished part, in all the great conferences and congresses of the post-war period, including the meetings of the Assembly and Council of the League of Nations from 1922 to 1926. One result of all this has been, and is, that Benes in his person—small and slight in figure though he is—has become internationally a veritable symbol of the actuality and permanence of Czechoslovakia as a State.

Naturally Benes's greatest problem has been to safeguard and uphold Czechoslovakia within the framework of the new Europe brought about by the peace treaties that issued from the World War, and this has meant the maintenance of these treaties. To this end, in part, he and other like-minded men brought the Little Entente into existence; from the beginning it had to contend against *Anschluss* between Germany and Austria, Habsburg restoration and Magyar irredentism. So far the policy

has been supported successfully, once by military pressure on Hungary when the ex-Emperor Charles in 1921 made his second attempt to regain the throne in Budapest, but otherwise by diplomacy, the three States acting as a unit and in that respect being equivalent to a great power. This unity of action was largely due to Benes, but it was facilitated by French collaboration and in some cases by Polish cooperation. There is nothing new in the *Anschluss* question; it was posed, in fact, at the Peace Conference; neither Benes nor the Little Entente has ever pretended to favor it, on either political or economic grounds. A glance at a map of Europe will show how vitally Czechoslovakia would be affected by the union of Austria and Germany. Toward the latter the policy of Benes has always been correct and usually friendly; fortunately, the two States are not at odds over territorial or frontier matters, as are Germany and Poland, for instance; and the German minority in Czechoslovakia, with two Ministers in the government, is not in reality a disturbing factor.

First and foremost, Benes is a Czechoslovak; even his opponents at home will scarcely deny that he is a great Czechoslovak. The big question is whether he is more than that. Is he a great European? Is he internationally minded as well as nationally minded? These terms must be freed from cant. It must be accepted, as in point of fact is the case everywhere, that statesmen work primarily for the interests of their own country and prefer them to those of other countries. Yet countries may and do have common interests; there is certainly such a thing as a common international interest, as is very clear in the crisis through which the world is at present passing. The chief common interest of Europe is peace, and Benes, as already noted, has been declared the "greatest obstacle" to it. Is this true? In considering this query objectively, the first step to the answer is taken

when it is discerned that "peace" in this connection is identical with and will be consequent on a wholesale revision of the peace treaties. A small revision, such as is possible, will not serve; what is aimed at is not their amendment but their abrogation. This ought to be clearly understood. It is fundamental, vital.

Will such a revision make for peace? Look at this question concretely, as Benes does. Will taking Slovakia from Czechoslovakia, Croatia-Slavonia from Yugoslavia, and Transylvania from Rumania, and handing them back to Hungary, make for peace? Will tearing Pomerania and the Polish Corridor from Poland, and turning them over to Germany, make for peace? The answer, in Benes's opinion, is "No." As has already been seen, he is sympathetic toward France. On occasion he has not hesitated to oppose French policy, but generally his policy has been oriented to that of the Quai d'Orsay. It may well be asked what would have happened in Europe this Summer, with Germany and other States practically bankrupt and the crisis in Great Britain, if there had not been a strong France. Has not the event justified his policy? On the other hand, it would be absurd to assert that Benes's nationalism has never interfered with his internationalism; an absolute altruism is not among the "possibles" for him or for anybody else.

It would be a mistake, however, to say that Benes has pursued a merely

negative aim; the positive side of his policy is constructive, and the iconoclastic phase passed with the passing of the Habsburg Empire. Soon after the Little Entente was established he described it as "an instrument of collaboration offered to a world trying to reconstruct itself." He is a great optimist; perhaps the tremendous success of the Czechoslovak liberation movement has made him that. He has put forth a very considerable constructive effort, especially within the Little Entente, during the last two or three years. He has been an enthusiastic advocate of all the great measures on which constructive effort in the future may be based—the Geneva protocol, the Locarno treaties, the Kellogg pact. Wherever he could he has made friendly treaties with other States. He facilitated the salvaging of Austria and Hungary—and doubtless will do so again. But when all is said it has to be admitted that this side of his policy has not met with anything like the success which has attended the other. International economic progress has been slow and halting in all lands; for the time being it has stopped owing to the world depression, although the curve may be expected to ascend again. Meanwhile Benes feels that the negation of the Austro-German customs union pact must lead to some positive result in a much larger and more fruitful cooperation of the States of Europe, such as has been outlined by Briand. After all, it is to such an end that he has devoted his energies and ambitions.

The Exodus From Rural America

By W. RUSSELL TYLOR

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THE growth of cities is the outstanding social phenomenon of modern times. It is fundamental to an appreciation of the essential character of present-day society and to any adequate consideration of the immediate problems of unemployment, farm relief, crime, taxation, race relations and international obligations. Not only is the tempo of our civilization determined in the great metropolitan centres, but the tendency of our inventions and economic conditions is to create an almost irresistible suction of the rural population toward the city.

Cities, of course, have existed in some form ever since the dawn of history, but the growth of our great metropolitan centres is distinctly a product of the nineteenth and twentieth centuries. The industrial revolution stimulated the rise of the factory system and developed modern transportation, mass production and mass distribution. At the same time the agrarian revolution, by introducing more scientific methods of agriculture, forced farm laborers to find employment in manufacturing industries. These agencies of modern civilization worked together to abolish rural isolation and at the same time to intensify the growth of the city.

Since the beginning of the nineteenth century twenty-seven great centres of more than 1,000,000 population have grown up; at least ten of

them have reached the 1,000,000 mark since the beginning of the twentieth century. Of these twenty-seven centres, Europe has ten, Asia eight, North America five—all in the United States; South America two and Australia and Africa one each. The adjoining districts of most of these metropolitan areas are in themselves vast urban centres. The suburbs of New York City, for instance, have a population equal to nearly 85 per cent of the population of Chicago.

The concentration of economic and social resources within the modern city state has resulted in the most effective utilization of resources, human and material, yet known to history. They serve society to a greater extent than does the State or nation. The ancient city state, essentially a walled city, isolated and in touch for the most part with only its immediate rural hinterland, was largely self-sufficing and independent, economically as well as politically. The modern metropolis, however, is dependent not only upon a much larger rural hinterland, which it in turn serves, but also upon being in vital communication with other great cities. Although the dominant political control in society today tends to be national and provincial, the growth of the city and the rise of a metropolitan economy has become a tremendous agency in furthering international cooperation and advancement.

In the growth of the city an important rôle has been played by an exodus from the farm. In 1910, 32,000,000 persons were living on the farms of the United States, but the farm population on Jan. 1, 1931, was 27,430,000 — approximately 4,500,000 less than it was in 1910. As there has also been a natural increase of between 7,000,000 and 8,000,000 in the farm population during the period, some 12,000,000 individuals have left the farm for towns and cities, forming a channel of correspondence back and forth between farm and city and at the same time increasing the city's ready means of attracting more farm people to the opportunities it seems to offer. The rapid advance of scientific agriculture has also stimulated migration to the city, since fewer hands are needed to carry on the work of the farm.

A nation's urban population can increase in size in only four ways—by its own natural increase or by an excess of births over deaths; by rural migrations; by immigration from abroad, and by expanding the political boundaries of the municipality. With the curtailment of immigration from abroad, the only real sources of urban growth in America are from rural areas and the natural increase of the urban population itself. But the natural increase of the urban population is rapidly diminishing because of the declining birth-rate—itsself a product of urbanization. In the three highly urbanized States of Massachusetts, Connecticut and New York the total number of white births in 1928 was 34,671 below the number in 1920 in spite of the larger population. Furthermore, if the 1920 rate of natural increase of New York City had been its sole source of urban growth since 1790 the city of 1920 would have had only $3\frac{1}{2}$ per cent of New York's actual 1920 population.

As a matter of fact the large metropolitan centres are not now capable of reproducing themselves, when due allowance is made for differences in

the age and sex composition of the urban population. An analysis of the 1928 rates of natural increase of nine of our largest American cities discloses that they are not ultimately self-sustaining. Berlin shows no tendency to become self-sustaining, while in London the rate of natural increase is declining.

The majority of the migrations from American farms is for short distances to near-by towns and cities rather than to those further away. These migrants for the most part are in their early adult years, more particularly between 15 and 30, the period of the individual's outstanding vigor and adaptability. Females migrate earlier than males and constitute the dominant factor, since agriculture offers little outlet for women except in marriage. As a result there is a feminization of the urban population, with the chances of marriage for women lessened in the city, although, because of woman's access to industry and the professions, there is an increase in the productive efficiency of society as a whole.

The oldest male child tends to remain on the farm in a greater percentage of rural families. This may be the result of social tradition that amounts to primogeniture or entail among the rural aristocracy or the influence of family duty and solidarity among the less wealthy and poorer farm families. In any case it tends to keep representatives of each type of family in agriculture, the wealthier as well as the poorer. In the Virginia Tidewater, for example, 53 per cent of the poorer class of rural whites as well as 53 per cent of the more prosperous migrated to cities, while among the Negroes the percentages were 57 and 56. A study by the United States Department of Agriculture of 2,745 farm operators who in recent years have left farming for town or city indicates that one-third of them left the farm because they could not make ends meet, although most of them had been cultivators of moderately large

farms and more than half still held title to farms.

A recent study of migrants from representative farm areas in Minnesota revealed that two-thirds of the migrants entered the laboring classes of the city and only 4.4 per cent were in business as proprietors. The social stratum of the city entered by the rural migrants depends, of course, very largely upon their preliminary training and past experiences, as well as upon the doors of opportunity that may be open in the urban environment. Once they are located in the city, regardless of whether it be on a relatively low economic level or not, there are no evidences that the rural migrants move upward to higher income and occupational levels less successfully than do the urbanites of a similar social standing and opportunity. In other words, comparisons between the city dwellers with a rural background and those who are city-bred show that both are about on a par as far as success is concerned. Although both extremes of ability and lack of ability migrate to the cities, there is some evidence that the average type tends to remain on the farm. Such a selectivity as this, however, would not be apt to result in a depletion of the native ability of agriculturists as a class. But on this general subject there is no agreement.

Studies indicate that the families of these rural migrants, as well as the families of the urbanites themselves, give their children more formal education than do families remaining on the farm. Farming, however, is primarily a matter of direct experience, even in this era of science, and farmers are selected by their liking for this type of experience much more than by their education. Formal education is not as valid for measuring the qualitative differences between farmers and the urban classes as it may be between the different types of urban classes themselves.

A greater participation in the "refinements and embellishments of liv-

ing" is one of the primary causes of the city drift. Although a large number leave the farm because they cannot make ends meet or because they hope to better their economic condition, the opportunity to gain better school and church advantages for their children is an important inducement with many. A significant number also leave because of ill health or physical disability which unfits them for farming and some also constitute a retired farmer class.

While largely responsible for the growth of the city, the exodus from the country has at the same time intensified the problem of rural life. It has been accompanied by a growth of tenancy and absentee landlordism and by a decline and instability of community life in many sections. The instability of rural life, however, must not be attributed solely to this city drift. Migrations to the city and village together comprise but three-fifths of the total migrations of farm people. The other two-fifths constitute the movement from farm to farm in the same or in different localities. This movement has no part in the rural exodus, although it does contribute substantially to the instability of rural community life. Such rural mobility is a factor which makes increasingly difficult the development of a worthwhile culture in the country.

Since scientific agriculture as well as the lure of the city has made the drift to the city possible, a mere "back to the farm" slogan is purposeless. Agricultural productivity, in spite of this rural exodus, has increased during this last decade on an average of slightly more than 2 per cent each year. The rural exodus or drift to the city in and of itself is not the fundamental question. The rural problem is complex and is not reducible to any one factor or curable by any one remedy. Similarly, the rural exodus has further complicated the problems of urban life, not least in the present unemployment.

The tendency toward the centralization of population in gigantic urban centres is not the whole story. A movement of decentralization, of population away from the larger urban centres into the smaller cities and villages, and, to a much more limited extent, back to the farm, may hold the key to the solution of the acute social problems involved in the tendency toward excessive urban growth. Decentralization is seen most apparently in the growth of suburbs, which in the case of the largest metropolitan centres are growing more rapidly than their central cores. From 1910 to 1920, the cities in the 25,000 to 100,000 class in the United States, one-third of which are suburbs, increased in population one-third, whereas the cities over 100,000 increased only one-fourth. This increase was especially characteristic of the suburbs of the twelve cities of over 500,000.

A similar but more rapid growth of the smaller centres was indicated from 1920 to 1930. The sixty-eight cities of over 100,000 in 1920 increased 21.8 per cent by 1930, instead of one-fourth as in the preceding decade. Only two of these cities more than doubled their population between 1920 and 1930, but twenty-eight cities in the class of 25,000 to 100,000 doubled theirs. As fifteen of these twenty-eight were in the South, and five more were in California, a territorial decentralization is indicated as well.

This relatively more rapid growth of the suburban cities is in turn largely dependent upon the importance of the larger centres. The smaller cities, or suburbs, are essentially the overflow of the larger cities, and would not grow so rapidly were it not for the greater importance of the metropolis itself. The most congested cities, cities with the greatest excess of families over dwellings, tend to show a higher proportion of suburban population, at least in five cases out of every seven. Moreover, studies have re-

vealed that there is little difference in the average congestion between twenty suburban cities of from 50,000 to 100,000 population and their twenty-one parent cities of over 100,000 population. In a city as well as in its suburbs, the rate of growth is greatest where congestion is least. Applied to the suburbs this means that the smaller and less crowded are growing very much faster than the larger. For example, in the decade 1910-1920 New York's smaller suburbs, those between 2,500 and 10,000 population, grew at twice the rate of New York's larger suburbs, those between 25,000 and 100,000. This principle is further confirmed in a study of the growth of the 108 suburbs of ten of the largest representative cities.

Even still more significant decentralization is the trend of factory locations. An exhaustive study of factory migrations was published by the Metropolitan Life Insurance Company in July, 1929. Although the study is weighted in favor of the metropolitan centres, because it covers 90 per cent of the cities of more than 150,000 and only one-third of the towns under 10,000, it does show for the years 1926 and 1927 a balance of migration strongly in favor of the smaller community. In 200 cases of relocations of plants employing over 100 men, 114, or more than half, moved to cities under 50,000 in population, and 40, or 20 per cent, moved to cities and towns of less than 10,000 population. Of 226 factory firms moving in 1927, 31 per cent moved to a larger city, 55 per cent to a smaller city, and the remaining 14 per cent to a city of the same size. Industrial mortality was conspicuously greater in the larger cities. Losses under the heading "out of business" showed 78 per cent in cities over 150,000, compared to 13.5 per cent in towns under 50,000 and only 5.1 per cent in towns under 10,000.

This same trend is confirmed further in the report of President Hoover's Committee on Recent

Economic Changes. Although the cityward movement of population persists, the only gain in the number of industrial wage earners between 1919 and 1925 was found in towns of under 10,000 inhabitants. The twenty-five largest cities in the country lost 12 per cent of their number of industrial wage earners employed; the smallest loss again occurring in smaller towns, those from 10,000 to 25,000. In spite of an increase in the total population during this period, the United States lost 7.4 per cent in the number of industrial wage earners as a result of the introduction of machinery and other factors. Yet towns under 10,000 population were the only class of cities showing a gain in their number of industrial wage earners, gaining 55,204 wage earners, or 2.1 per cent. While cities over 10,000 lost, those in the next smaller class lost the least proportionately. This trend, with that of a lower industrial mortality in the smaller centres, reflects a net gain for decentralization.

The drift from metropolitan centres to the smaller cities and towns is of sufficient importance to deserve attention. Not until the Chicago World's Fair of 1893 did the drift to the city, the centralization process proper, begin to receive conscious guidance in America. This came with the rise of the city planning movement. The increasingly apparent need of direction of migrations from the metropolitan city to the smaller suburbs and towns within a wide radius from its centre has given rise of late to a counter-movement known as re-

gional planning, and to the emergence of the regional concept. Instead of merely considering the growth of the metropolis, the region which the metropolis dominates is thought of as the unit.

Planning the growth of the region means promoting the development of garden city suburbs, of industrially decentralized towns, of highways, thoroughfares, boulevards, parkways, forest preserves—in short, in coordinating and directing the expansion of the resources of the region, human and material, of which the large city is the nucleus rather than a thing apart. The five largest cities of the world, with one exception, have regional planning associations which have been organized during the past decade. Political recognition of this new regional entity is at hand. In 1929, the State Legislature of Georgia approved an act which provides for the establishment of the "municipality of Atlanta" which is to include besides the city of Atlanta, five of the more important suburbs and fifteen unincorporated near-by places.

Because of the productivity of our farms, the opportunity does not seem to exist in America for any significant back-to-the-farm movement. Nevertheless a migration to smaller cities and towns and away from the larger cities is apparent. The movement has resulted, also, in the small truck farms on the fringes of great cities. This suburban trend, although it has not halted the growth of the city proper, is at least deserving of full recognition, because its social implications are portentous.

Mexico City: Modern Centre of An Old Civilization

By ZOE WYTHE

LESS than a century ago Mexico City was the most populous and cultured city of the Western Hemisphere, but despite a sixfold increase in the number of the city's inhabitants since then to a population of 1,000,000, the Mexican capital is now only one of several large cities in the New World.

Located on the back of the lofty Cordilleras, Mexico City is handicapped by difficult and costly access to the sea and by lack of navigable rivers. Yet it was able to maintain its political and commercial supremacy through the centuries. Its climate is exceptional and the vast plateau which the city dominates is very fertile. At present nearly one-half of Mexico's population is concentrated in the highland region around the capital. This section has always been a vast beehive of human activity, and in prehistoric times, it is believed, its population was even greater than it is today. The mysterious pyramids which rise within an hour's motor drive from Mexico City, rivaling those of Egypt in size and interest, are forceful reminders of an ancient civilization.

Mexico City is swung between lofty volcanoes in a valley 7,500 feet above sea level. A spectacular view of the city may be had from the balconies of Chapultepec Castle, the official residence of the Presidents of Mexico, although it is not now used for that purpose. In the time of the Aztecs the site of the castle was a small hill in

the midst of the lakes which at that time covered the surface of the valley. When the Aztec tribes first reached the section, they camped on the high ground around Chapultepec, but later fled for safety to a scattered group of islands in the midst of the vast inland lake. Thus Tenochtitlan, the Aztec precursor of Mexico City, grew up with canals in place of streets. While the valley has now been partially drained, remnants of the old lakes are still to be seen.

Below the terrace of the historic palace is the Valley of Mexico, with its sparkling lakes and its green fields, and the City of Mexico itself. The main tree-lined thoroughfare which stretches away before one's eyes from that point is the Paseo de la Reforma, which was laid out by the unfortunate Empress Carlotta. At the other end of the boulevard can be seen the large park called the Alameda and, beyond the park, the old part of the city and the principal business streets, which follow the routes of the old canals. The ancient Aztecs were extraordinary astronomers and a people with a love for geometry; so they laid out their thoroughfares in orderly gridiron fashion.

The soil of the Valley of Mexico is of a porous, volcanic formation, an excellent shock absorber in case of earthquakes, but unfortunately a poor and spongy foundation for heavy buildings. Many of the important and historic edifices have settled, sometimes a few feet, sometimes several

yards, and often display cracks caused by the uneven sinking of the walls. This process has been more rapid during the last century, as the underground mattress of water on which the city formerly reposed has been drained. The magnificent marble National Theatre, which was begun by President Diaz and is not yet completed, has already sunk more than a yard in spite of periodic injections of cement under its foundations, while one or two churches lean at rakish angles.

Because of the danger of earthquakes and the instability of the soil on which the city is built, the average height of buildings in the business section is only two or three stories, with the result that the city presents a rather flat appearance. But the skyline is relieved by a few soaring church towers and by dozens of tile-covered domes which flash their green and blue and yellow sheen in the brilliant sunlight. In the distance, forming an incomparable background to the great city which Cortez conquered and rebuilt, stand the twin sentinels, the snow-covered volcanoes, Ixtaccihuatl and Popocatepetl. Ixtaccihuatl means "The White Woman," because the snow-covered part of the mountain resembles a reclining woman with her hair falling over her shoulder. The snow on Popocatepetl is seldom visible, for it is covered regularly by the ash which the volcano is constantly spewing out. Almost every morning clouds of smoke can be seen coming out of the crater, and the natives have a saying that "old Popo" is having his morning pipe.

Mexico has been called a land of domes. Almost every Indian village in Central Mexico has its domed church. The capital has its share, too, and while the use of tiles is less lavish than in Puebla, the domes are striking landmarks on the horizon. Most of the other buildings have flat roofs, surmounted by copings. Sometimes clothes lines are fitted up on top of the houses, but most Mexicans follow

the custom of spreading their laundry out flat on the roof.

During recent years the growth of the city has necessitated additions in all directions. Several are due to Americans and show an essential architectural departure from the older colonial sections of the city. In the newer quarters the patio type of house is being abandoned, or when preserved is substantially modified and adapted to meet changed conditions. In its pure form the patio house was a self-enclosed unit, with only one exit to the street—a huge entrance-way, called *zaguan*, which was closed by a heavy door often elaborately carved or studded with brass or iron work. Most of the scanty light and ventilation was obtained from doors opening into the patios; the few windows looking into the street were barred. Such a house was obviously designed for defense. But this plan meant a lack of flexibility of arrangement, as the rooms were grouped around the central patio or patios, and it was usually necessary to go through a bedroom to the dining room and through the kitchen or pantry to the bathroom.

The new suburbs laid out since the World War show a great variety of influences and tendencies—German, French, American bungalow, modernistic, Andalusian. Yet they succeed in being definitely Mexican. A lavish use of color, glazed tiles and wrought-iron work are among the striking characteristics of the new buildings, and the vividness of the ensemble is frequently enhanced by great clusters of magenta bougainvillea or scarlet geraniums clambering over the walls and roofs. This colorfulness presents a contrast to the drab appearance of most of the older parts of the city, which were constructed of the gray or blackish volcanic stone found in the lava beds of the Valley of Mexico, or of rubble or adobe.

Although houses with a garden in front have made their appearance, the residences as a general rule are built

abutting the sidewalk, with the garden at the back or in the form of a patio, where it is devoted to the enjoyment of the family rather than to the delectation of passing motorists. Small shops or *tiendas* encroach on the most fashionable avenues, and next to palatial residences of Mexican Generals and tycoons may be found humble boarding houses or even the *jacal*, or lean-to, of a peon.

In the mornings the servant girls of the neighborhood, with their lustrous black hair loose over their shoulders, come to these small shops to buy two centavos' worth of sugar or seven centavos' worth of frioles. Mexico is still a land of small craftsmen and trades people, of native bazaars and street vendors. The butcher, the baker, the candlestick maker are literally just around the corner. Early in the morning the baker's boy makes his rounds, balancing an enormous basket of rolls deftly on his head in spite of the running pace he maintains. Early and late one hears the cry of the tamale-seller, while the old-clothes man, the scissor-grinder, the tinner and umbrella-mender make their daily rounds. Large department stores have been erected, but within a stone's throw of these imposing structures one finds Indians squatting over a handful of peanuts piled up neatly on the curb, the sale of which constitutes the day's business. Near by is a silk bazaar, where, while you wait, the native merchant will dye a piece of cloth or a bit of lace to suit your taste, and will run up and down the cobblestone street to dry it.

Those who like to sit at sidewalk cafés find that the cool climate which prevails throughout the year at an altitude of 7,500 feet above sea level is not conducive to that pastime; nor can open-air restaurants be found except with difficulty. The Spanish heritage is everywhere evident, but it is Spanish modified in a thousand subtle ways by the persistent Indian strain, for the Indian and mestizo classes have become dominant both

politically and economically. Mexico City does not possess a single monument or memorial to Cortez, but there is a great statue on the main thoroughfare to Cuauhtemoc, the last of the Aztec emperors, whom Cortez conquered and tortured—a symbol that the conquered native peoples after four centuries have vanquished the descendants of the conquistadores. Self-conscious Indianism flaunts itself in many ways about the city, most noticeably in the frescoes with which many of the leading public buildings have been recently decorated. In these paintings the blonde ideal is repudiated, and instead there is portrayed the Indian and mestizo type, with thick black hair, stolid face, slightly oblique eyes and broad hands.

With the success of the revolution—the social upheaval which began in 1910 and is still going on—the Indian has definitely come into his own. President Diaz during his long dictatorship tried, although himself a mestizo, to remove the Indian landmarks and “modernize” his country. Natives dressed in the characteristic two-piece suit of unbleached calico, topped by a big hat, were not permitted access to the principal streets and parks; members of the government and the wealthy classes, who spent much of their time in Europe, were rather ashamed of their colorful, though backward, countrymen who came down from the hills loaded like beasts of burden with great bundles of pottery or mats or flowers or produce to sell in the market places of the capital. Now all this has changed, and not only are the *gentè humilde* given every privilege, but there is also a tremendous vogue of the native costumes and handicrafts. Undoubtedly much of the charm of Mexico City at present consists in the fact that while it is a clean, modern and comfortable city, with well-paved and well-lighted streets, on every hand one encounters picturesque groups.

For example, a barefoot group has just walked in from their pueblo. The

head of the family carries an enormous crate of pottery packed in straw, the load resting on his bent back and shoulders and held in place by a strap which passes over the forehead. Perched on top of the bundle, in a rather ludicrous fashion, is the man's huge straw hat. Next comes the woman, wrapped in a blue *rebozo*, which serves as bonnet and shawl in one, and is also tied up at the ends to form a cradle for a baby. Several small children clutch at the mother's long, full skirt. The little girls wear blouses, hand-embroidered sashes and long skirts—in every respect exact replicas of their mother, even to the solemn countenance. The boys also wear two-piece cotton suits like their father, huge hats which threaten to swallow them, and over their shoulders hangs a woolen *jorongo* which has a slit through which the head can pass. There is want and mendicancy in the scene, but even poverty does not seem so cruel and ugly in the picturesque setting.

Considering the enormous inertia of the Indian masses, their traditional characteristics will doubtlessly long be retained, although the subtle and powerful forces of industrialism are bringing about important changes. In recent years Mexico City has seen the growth of a large number of small industries under the stimulus of a protective tariff. The factories, however, are little in evidence, as many of them are hidden away in back patios of old residences, and nearly all use electric power, thereby eliminating both chimneys and smoke. The inevitable drift from farm to factory in Mexico has been accelerated by disturbed conditions growing out of the agrarian revolution. Mexico City has prospered at the expense of the countryside. It is symbolic of this social transformation that blue denim overalls, the badge of the factory worker, are becoming as conspicuous on the streets as the characteristic white *mantà* of the peon. Furthermore, the lower classes which former-

ly went barefoot or at best wore crude sandals called *guaraches* are now buying shoes, and are even wearing them, although it is still a common sight to see a peon or a soldier walking along barefoot with his shoes slung over his shoulder—a procedure which not only saves the shoes but saves the feet, as to walk on the rocky soil is still considered preferable to the discomfort of footgear.

The new influences are also apparent in the lives of the women of the middle-class, who, as heirs of the Spanish and Moorish traditions, had previously remained in seclusion; now there are thousands of them in government offices, in the shops and in clerical positions with private firms, and having money of their own, they are able to dress better than before.

The air of Mexico City has not yet been polluted by gasoline fumes to the extent that is the case in the United States. In fact, there are fewer automobiles in the entire Republic of Mexico than there are in Dallas, Texas, alone. But the concentration of motor vehicles is growing with the lengthening mileage of good roads, and traffic in the narrow streets of the capital begins to show signs of congestion. Although in anticipation of a tourist business there are signs of an incipient "night life," Mexico City remains in all essentials a 9 o'clock town, with social life and diversion still centring in family groups.

By day Mexico City presents its most animated aspect during the *paseos*, or promenades at noon or more particularly from 6 to 8 o'clock in the evening, when the narrow sidewalks of Avenida Madero are crowded with "fifis," or dandies, wiggling their fingers at other pedestrians or trying to attract the attention of black-eyed señoritas in the steady stream of motor cars passing at a snail's pace. The procession continues from Avenida Madero along the broad Avenida Juárez and then into the Paseo de la Reforma, forming a continuous line from the pink National Palace, in the

MEXICO CITY: CENTRE OF AN OLD CIVILIZATION 413

heart of the old city, to the frowning castle of Chapultepec, perched on its hill in the outskirts.

In view of the common frontier of 1,800 miles between Mexico and the United States it is inevitable that both countries should strongly feel the influence of the other on its ways of life. Before the United States initiated its present administrative policy of restricting immigration, large numbers of Mexicans went north, though many of them were merely birds of passage and soon became tired of the cold northern climes, yearning for the *rancho* or *pueblo*, under southern skies, where they were born:

I don't care to dance in the halls
That you have here;
What I want is an earth floor
Like on the rancho where I was born

I don't care for your automatic pistols
That you have here;
What I want is a block rifle
Like on the rancho where I was born.

I don't like your wide trousers
That you have here;
I like them close to the skin
Like on the rancho where I was born.

So, many return, with a smattering of English and a broken-down *Fotingo* (Ford), some new clothes and kitchen utensils, and perhaps a perambulator, a ukulele or a bathtub. Official statistics show that 10 per cent of the returning Mexican immigrants during 1927 brought bathtubs with them, while 31 per cent brought guitars. *Beisbal* (baseball), *aiscrin* (ice cream), *coptal* (cocktail) and *mitin* (meeting) have passed into current speech. In all parts of the country one finds Mexicans who have at some time lived in the United States, and many others have received free technical education from large American corporations operating in Mexico. The list of officials educated in America

includes many prominent names.

Along the street are many evidences of American influence. Soda fountains and gas stations have usurped the principal corners, while an American drug store with soda fountain and tea room occupies the historic House of Tiles, one of the most beautiful buildings in the city. The motor cars are almost entirely well-known American makes, and in the shop windows are to be seen tooth brushes, shoes, typewriters, furniture, watches, books and hundreds of other articles made in the United States. English is frequently heard on the streets of the city, as there are more than 2,000 Americans and about half as many British subjects in the capital. There are also many Europeans. Most of the hardware stores are conducted by Germans, the grocery stores by Spaniards and department stores by Frenchmen.

In spite of the strong pressure of "Americanization," Mexico is determined to keep her own individuality. Mexico's outstanding intellectuals declare that they do not want a "jazz civilization." The new nationalism, which has been purified in the fires of revolution, has set its face against cultural encroachments. But there are unfortunately many divergent tendencies in the Mexican life of today, racial, cultural, economic and political, and many who look askance at Americanism nevertheless proceed to become Americanized as rapidly as possible. An effort is being made to weld these trends into a unity which will enable Mexico to save her own soul. The tremendous social inertia of the Indian type, which has remained unchanged through the ages, as well as the new racial and national consciousness, will steady the country in the midst of the currents of industrialism and Americanization.

The Evolution of the Universe

By WATSON DAVIS

Managing Editor, Science Service

THE field of research largest in the size of subject is the universe. To the cosmos, its nature, whence it came, whither it is going, there is being given the best attention of astronomers, physicists and philosophers.

In the past few decades the boundaries of knowledge have been pushed far outward into space through the use of large telescopes and new mathematical conceptions. In coming years they will be extended further and further. Yet there is a moving frontier of knowledge beyond which science cannot go, a darkness in which unfruitful philosophical concepts attempt to flourish.

Knowledge of the universe began to expand when the ancients recognized that there was something more than the earth on which they trod. But this enlarged knowledge of reality did not begin to develop until Galileo and his telescope. Later Sir William Herschel, with an eye that belonged to the future, called the spiral nebulae he saw in the heavens "island universes." Einstein was the first workman on the twentieth century model of the universe, and he laid the foundations with his general theory of relativity.

To journey mentally out into the expanses of the universe it is necessary for those of us who are three-dimensionally minded, owing to our existence here on earth, to abandon hope of too definite visualization of what the universe really looks like from the outside looking in. Even to say "from the outside looking in" is

to admit the difficulty of conceiving time and space in Einsteinian terms.

To make Einstein's idea of an unbounded but finite space somewhat intelligible, the favorite analogy is that of the traveler on the earth's surface who might not know that the earth is a sphere. He would travel on the skin of the globe, never reaching a jumping-off place, but sooner or later he would come to a realization that, although there is no end to his sphere of travel, it is not infinite. The three dimensions of common experience—breadth, width and height—combine with time to make up the four dimensions of Einstein's curved space.

While only a score of years ago scientists would have granted the plausibility of the idea of space extending outward, light years upon light years, now they see space doubling up on itself. Given telescopes powerful enough, it is not a wholly ridiculous notion that they might be able to peer entirely around the curvature of the Einsteinian universe.

The universe, according to Einstein, was assumed to be static and permanently filled with a constant distribution of matter. This was shown to be an imperfect approximation because the cosmos is not by any means systematically at rest. It is much more nearly full than empty, although it may not appear so by earthly standards. Assuming the matter of the universe evenly distributed, it would be a more perfect vacuum than can be produced in earthly laboratories and a few millions of million

times as empty as ordinary atmospheric air. This rarity, compared with the theoretical density of a static Einsteinian universe, shows the universe nearly full.

When Dr. Willem de Sitter of Leiden formulated his cosmology assuming it perfectly empty, it was a better picture. But it was a moving picture, despite the drawback that there was no matter in the picture. It was non-static in the sense that an object and some one to see it, if introduced into the de Sitter universe, would show a velocity of motion of the object dependent upon the distance between them.

Another universe builder, Dr. Richard C. Tolman, of the California Institute of Technology, has painted a cosmological picture that conforms to the opinion that the universe is filled with matter changing into radiation. It is non-static and in it matter is dissipating on the average as astronomers find it must dissipate in order to account for the luminosity of vigorously radiating stars. And the Tolman universe attempts to explain the reddening of light from the far reaches of the universe which has proved a scientific puzzle in the past few years.

The red shift of the spectra of distant nebulae or "island universes" has had a commanding influence on cosmological speculations in the past few years. The hundred-inch telescope at Mount Wilson Observatory and astronomy's lesser instruments have given us knowledge of the composition of space so far as it can be observed. Ideas about the universe as a whole are extrapolations based on the visible sample. Fundamental is the assumption that the rest of the universe is much the same as the part that we can see.

Beyond the borders of our own stellar system, itself a spiral nebula that we see from the inside looking out, there are other vast stellar systems, comparable to our own. They are thinly scattered through the

depth of space as far as telescopes can reach. Because something is known of their actual size and brightness, their appearance in the telescope is an indication of their order of distance. The brighter they are the closer they are. Intrinsically they are the brightest objects in the sky, on an average about 100,000,000 times as bright as the sun. The faintest of these nebulae that can be detected with the greatest telescope mark the frontiers of the observations of the heavens. An average distance of the order of 250,000,000 light years is the radius of the sphere that is the observable region of space.

A puzzling characteristic of the light from these far distant nebulae is its reddening, the effect referred to as the "red-shift." The favorite interpretation of the red-shifts is that they are signals of velocities away from the earth. It is as though all the other parts of the universe are rushing away, and the more distant a nebula, the faster it appears to be moving, always away from us. Assuming the red-shifts are velocities, the nebulae are receding from the earth at velocities of about 100 miles a second for each 1,000,000 light years of distance. Extraordinary velocities of up to 12,000 miles per second have been observed.

The red-shift has given an observational basis for a sort of compromise cosmology, the expanding universe, suggested by Professor Georges Lemaître of the University of Louvain, and sponsored by Professor de Sitter himself as a way out of the difficulty of reconciling the universes of Einstein and de Sitter. Professor Lemaître assumes that the universe is not in equilibrium, which is in accord with observed facts. He pictures the universe starting from a static state in the remote past, but sooner or later, since it was unstable, it began expanding. It will continue to expand so long as time endures. It is as if the universe, actuated by a terrific force, were actually exploding. A less violent

analogy that has been suggested is that the nebulae are specks of dust on the surface of a rubber balloon which is being blown up by—who can say how the balloon originated and whose breath keeps the universe in motion?

The Lemaitre universe is now the favorite picture of space-time. It is an incomplete picture which many will attempt to retouch with astronomical and mathematical paint, but it is at least the mode of the minute. One of the most essential questions about the Lemaitre universe is the validity of the idea that the red-shift is really an indication of a rushing away of the nebulae. Quite naturally scientists, after pondering over this problem, would like to be able to get a clean-cut "Yes" or "No" from a super-oracle.

Sir James Jeans, wishing for such an infallible oracle, would make one of his two questions: "Is the universe expanding at about the rate indicated by the spectra of the nebulae?" His other question would be: "Does the main energy of stellar radiation come from the annihilation of matter?" That query, too, would help greatly in disentangling the complexities of the universe, particularly the evolution of stars, but it would not help so much as the other in settling the problem of the expanding universe.

Of more immediate help is some recent handling of mathematical theory by Sir Arthur Eddington, who discovers that from pure physical theory there can be predicted that the phenomenon of the expansion of the universe will occur. Even more important, he can calculate the actual rate of expansion, without any use of the astronomical data. He used the wave equation for an electron, which is the fundamental equation of the modern quantum theory, adapted it to the curvature of space, and then combined it with the formulae of the

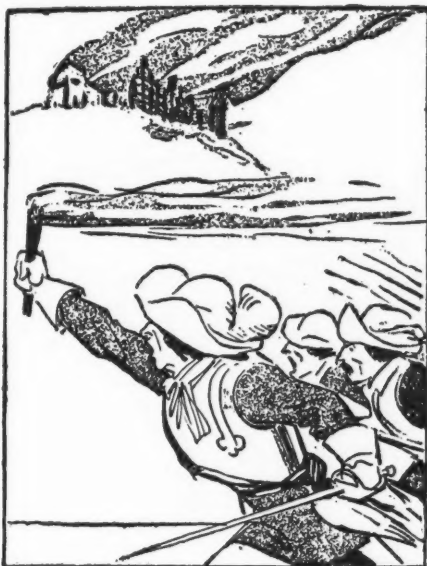
relativity theory. There was close accordance between the value of recession as thus computed by Eddington and that actually observed in the nebulae by Hubble at Mount Wilson Observatory. This mathematical check forces Sir Arthur to accept the "alarmingly rapid dispersal of the nebulae," which he believes "is in some respects so preposterous that we naturally hesitate before committing ourselves to it."

The most important effect of this unwilling acceptance of the expanding universe is to limit severely the amount of time available for the evolution of the universe, its galaxies and presumably the stars. A very long time scale of billions of years had become fashionable. It is now incongruous. With plenty of time at their disposal, astronomers had formulated theories of stellar evolution that need much more time than can now be given them. Now they must be content with an age of the order of 10,000,000,000 years for the galaxies and the stars. Within this time there must have occurred most of the evolution of the universe. The universe is very young. It has a very expansive future before it.

How embarrassing these new estimates are can be realized when it is recalled that, according to National Research Council reports, radio-activity dates the earth as at least 2,000,000,000 years old, or more than a fifth as old as the galaxies of stars. The phenomenon of life, which has existed nearly as long as the earth, becomes increasingly important in a time sense.

The beginning and the end of the universe are invisible in the distant haze of unexplored areas of science. A multitude of other minor questions are also unanswered from lack of knowledge. It is even possible that there are some questions that even a super-oracle could or would not answer.

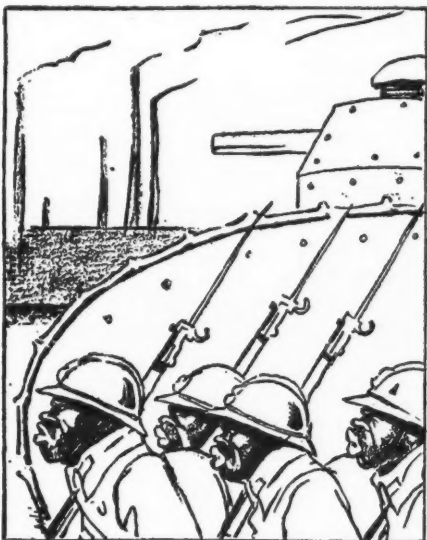
Current History in Cartoons



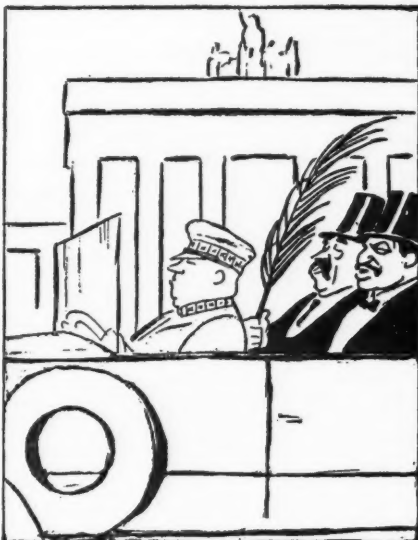
1689



1806



1923



1931

FRENCH VISITS TO GERMANY

"I fear the Greeks, especially when they bring gifts"

—Kladderadatsch, Berlin



WEAPONS IN RESERVE
Hindenburg-Briand: "Salutations!"
—*Il 420*, Florence



BRITAIN'S PROTECTOR
—*Punch*, London



THE CROSS OF GOLD
—*Brooklyn Daily Eagle*



THE FOX WHO LOST HIS BRUSH
—*Los Angeles Times*



SCRAPS OF PAPER

—Los Angeles Examiner



LET SAM DO IT

—New York American



**CONFIDENCE: AMERICA'S CHIEF
ASSET**

—*Boston Herald*



HELP NEEDED, NOT ADVICE

—*Philadelphia Inquirer*



S O S

—*New York Herald Tribune*



GAINING MOMENTUM

—*Cleveland Press*

A Month's World History

M. Laval's Visit to Washington

PREMIER LAVAL has come and gone, and the complete record of his accomplishments is not written in the official communiqué. Neither in France nor in America is the administration sufficiently strong to permit the elaboration and public announcement of a specific program. Nor would it be wise to do so, even though they were assured of national support. Although questions of finance and trade barriers, of war debts and reparations, of armaments and security, are inextricably interwoven, and the solution of any one of them cannot be individualized, national interests and prejudices differ so sharply, and within each country there are so many varieties of opinion, that, in order that it may run the gauntlet of a critical Legislature, each item in the program must be presented with the greatest caution, and public opinion must constantly be consulted and directed. As between France and the United States, the situation is sufficiently complex, but its difficulty is increased in geometrical ratio since the questions to be determined vitally affect Great Britain and Germany, Italy and Poland, the other European powers great and small, together with those of Asia, Africa and South America; and the policy finally to be adopted must measurably meet with their approval.

The communiqué is nevertheless a

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document of great importance, and it deserves careful study. Its text is as follows:

Oct. 25, 1931.

A Joint Statement by the President of the United States and the President of the Council of Ministers of France.

The traditional friendship between the United States and France, the absence of all controversy between our two governments, a record of many events in collaboration toward the peace of the world, embracing among its recent phases the adoption of the Kellogg-Briand pact, render it possible and opportune for the representatives of our governments to explore every aspect of the many problems in which we are mutually interested.

Indeed, the duty of statesmen is not to overlook any means of practical cooperation for the common good. This is particularly true at a time when the world looks for leadership in relief from a depression which reaches into countless homes in every land. Relations of mutual confidence between governments have the most important bearing upon speeding the recovery which we seek. We have engaged upon that mission with entire frankness. We have made real progress.

We canvassed the economic situation in the world, the trends of international relations bearing upon it; problems of the forthcoming conference for limitation and reduction of armaments; the effect of the depression on payments under intergovernmental debts; the stabilization of international exchanges and other financial and economic subjects.

An informal and cordial discussion has served to outline with greater precision the nature of the problems. It has not been the purpose of either of us to engage in commitments binding our governments, but rather, through development of fact,

to enable each country to act more effectively in its own field.

It is our joint purpose that the conference for limitation of armaments will not fail to take advantage of the great opportunity which presents itself, and that it will be capable of meeting what is in reality its true mission—that is, the organization of a firm foundation of permanent peace.

In so far as intergovernmental obligations are concerned, we recognize that prior to the expiration of the Hoover year of postponement some agreement regarding them may be necessary covering the period of business depression, as to the terms and conditions of which the two governments make all reservations. The initiative in this matter should be taken at an early date by the European powers principally concerned within the framework of the agreements existing prior to July 1, 1931.

Our especial emphasis has been upon the more important means through which the efforts of our governments could be exerted toward restoration of economic stability and confidence.

Particularly we are convinced of the importance of monetary stability as an essential factor in the restoration of normal economic life in the world, in which the maintenance of the gold standard in France and the United States will serve as a major influence.

It is our intent to continue to study methods for the maintenance of stability in international exchanges.

While in the short time at our disposal it has not been possible to formulate a definite program, we find that we view the nature of these financial and economic problems in the same light, and that this understanding on our part should serve to pave the way for helpful action by our respective governments.

All this is cautious in the extreme, and it must be interpreted, to a considerable degree, by the inspired statements carried in the Washington and Paris dispatches. The doctrine that there is no relation between war debts and reparations, so stoutly maintained by Washington for more than ten years, was finally thrown overboard in President Hoover's statement of June 20, and its last obsequies were pronounced in the paragraph on intergovernmental obligations in the joint statement. The ghost may occasionally reappear, but ghosts are after all no very influential creatures. In addition to the inclusion of both types

of obligations within a single phrase, the French have secured, in the words "covering the period of depression," an assurance of our support in opposition to proposals to scrap the Young Plan and to write off the reparations and the debts. Whether or not such action would ultimately be advantageous is debatable; that it is politically impossible is completely evident. Before June comes around again there will be another conference to discuss these obligations, and when it comes we shall no longer be able to preserve our splendid position of power without responsibility. As a result of its deliberations, we may expect an addition to that procession of economic unrealities which are amusingly styled "final settlements" and christened with the names of Spa, London, Dawes and Young.

Who is to summon this conference remains to be determined, though it must be one of the European powers which are signatory to the Young Plan. The initiative may be taken by France, or it may fall to Germany, either through a direct application to France or through the moratorium provisions contained in the plan. Germany is wisely not acting with undue haste. Chancellor Brüning is anxious that the Franco-German economic discussions resulting from M. Laval's visit to Berlin should progress somewhat further and that he may be assured of the support of France before he initiates a movement that is likely to have such far-reaching consequences.

If the conditional reparation payments are canceled, there must be a corresponding revision of our own war debt settlements. In compensation for this sacrifice on our part, we shall gain through the revival of business consequent upon the restoration of confidence, in increased buying power of the foreign market, in the revaluation of foreign and domestic investments and, finally, through the action of the disarmament conference, in

"the organization of a firm foundation of permanent peace."

This writer in the November number of *CURRENT HISTORY* discussed in some detail the fundamental differences in the declared policies of France and the United States in reference to disarmament. There is no evidence that France has receded from her position, maintained since Versailles, that security, defined in her own way, is a prime requisite. There is also no evidence that Washington is ready to grant her such assurance. We still maintain, as Mr. John Carter phrases it in his lucid analysis of our foreign policy in the November number of *CURRENT HISTORY*, an attitude of "diplomatic detachment and practical cooperation." The Washington dispatches since M. Laval's visit have declared that the Department of State is still opposed even to a consultative pact. On the surface then, the impasse is complete. Yet there is no doubt that both Mr. Hoover and M. Laval are in deadly earnest in their desire for concrete accomplishment at the disarmament conference, and keenly alive to their responsibility for securing it. That they have a plan may be taken for granted, but as that plan must meet the criticism of other powers, it would be unwise to give it publicity until the nations can be consulted.

Aside from intergovernmental debts and disarmament, the conversations dealt largely with economic and financial questions. The problem of gold and its proper distribution, the stabilization of international exchange, the extension of credits to nations sorely in need of them, came under extensive discussion. Here again no definite program was outlined, though the statement gives assurance of the maintenance of the gold standard by the two countries.

Political questions were never, so it was said, under discussion, but this statement must be taken in a diplomatic if not in a Pickwickian sense. Intergovernmental debts are certainly

political in character. If the administration has any lingering doubts about this, they will be dispelled before the next election. If foreign loans have no political aspect, why does our Department of State insist on passing on and approving those made by our bankers? France notoriously uses them to purchase political advantage. Doubtless a revision of the Versailles Treaty, the Polish Corridor and Hungarian boundaries did not enter into the conversations of Mr. Hoover and M. Laval, but in a very real sense everything they said was political.

If frankness is an asset in diplomacy, the astonishing interview granted by Senator Borah, Chairman of the Senate Foreign Relations Committee, to the French newspaper men on Oct. 23 will rank very high, however much its good taste may be questioned. In this interview Senator Borah openly declared himself in favor of complete cancellation of interallied wartime and post-war debts on condition that there were also cancellations of German reparations. Although this declaration caused considerable sensation, the calmness with which it was received across the Atlantic may mean one of several things, by no means all of which are complimentary to Senator Borah.

AMERICAN ACTION IN THE MANCHURIAN SITUATION

However adroitly we may avoid specific commitment in our foreign policy, the logic of events is creating a body of precedents which is likely to be as compelling as a treaty signed and sealed. Our detachment is a pretense, nothing more; and our efforts to avoid responsibility are as ignominious as they are futile. There is no escaping the implications of the action that our government was compelled to take in the conflict between China and Japan in Manchuria. From the beginning of the affair Washington has been in constant contact with Geneva and has advised with the

League as to joint action. The identic notes dispatched on Sept. 24 to China and Japan were in support of the action of the Council. On Oct. 9 Secretary Stimson addressed a direct communication to the League, giving assurance that "the American Government, acting independently through its diplomatic representatives, will endeavor to reinforce what the League does, and will make clear that it has a keen interest in the matter and is not oblivious to the obligations which the disputants have assumed to their fellow-signatories in the Pact of Paris, as well as in the Nine-Power Pact, should a time arise when it would seem advisable to bring forward those obligations. By this course we avoid any danger of embarrassing the League in the course to which it is now committed." When the Council reassembled on Oct. 13, Consul General Prentiss B. Gilbert, no doubt acting under instructions from Washington, was present at its opening session. In the face of protests from the Japanese representative, the Council, on Oct. 15, formally invited the United States to appoint a representative to act with it in the consideration of the Manchurian question.

The invitation was immediately accepted, and on the following day (Oct. 16) Mr. Gilbert took his seat at the Council table. His formal instructions limited him to action, based on the Pact of Paris, previously approved by the Department of State. On Oct. 17, Mr. Gilbert assenting, the Council voted to request all of the signatories to the Pact of Paris to send identic dispatches to China and Japan reminding them of the obligations they have assumed under the pact. For several days Japan maintained her protest, which was based on the ground that the Council had no power to act on the invitation except by unanimous vote, that Council action implied a responsibility which the United States was unwilling to assume, and that, as no threat of war

was involved, the Pact of Paris could not be invoked. Finally, however, she withdrew her objection, reserving for future determination the juridical question involved. Throughout the discussions which ended with the adjournment of the Council on Oct. 24, Mr. Gilbert took an active part and was in frequent telephonic communication with Washington.

Inconclusive as these negotiations still are, they have thus far succeeded in limiting the conflict very narrowly, and they bid fair to prevent the development of a war that might have very far-reaching results. The League cannot be expected, within a few days or weeks, to adjust a situation of such complexity. The fact that China lacks a competent government able to enforce its agreements; that extraterritorial military occupation is always an irritant; that the Japanese Army does not seem to be fully under control; that just over the border Russia stands ready to intervene in her own interest—all these things make it necessary to proceed with great care. The anomalous position of the United States adds to the difficulty. The resolution of the League, passed at its final session, calling upon Japan to withdraw its troops within the treaty area by Nov. 16, was based on Article XI of the covenant. As such action requires unanimous action, it has no legal standing, however great may be its moral influence. Such as it was, Mr. Gilbert was unable to give definite assurance that it would have the support of the United States.

If it had been at all possible to take action under Article XV of the League covenant, which provides that only a majority vote is required, the resolution would have been much more effective. However, there is grave doubt whether, without the adherence of the United States, Article XV can be invoked. There is no escaping the fact that our policy of isolation involves responsibilities quite as heavy, though of a different sort, as would full co-operation. [For further information

on the Manchurian situation, see the articles under the headings, "Issues in the Manchurian Crisis," by Profes-

sor Holcombe, on pages 345-352, and "The Far East," by Mr. Norem, on pages 472-476 of this magazine.]

The League's First Major War Test

THE League of Nations, in spite of its important work in social, economic and financial

fields, now faces the acid test of its ability, or inability, to prevent war. The quarrel between China and Japan in Manchuria (see pages 472-476 of this magazine) is one part of this test. The other is the success or failure of its disarmament program.

The Assembly addressed "a solemn appeal to all those who are desirous that practical effect should be given to the principles of peace and justice upon which the covenant is based" and requested "the governments invited to the disarmament conference to prepare for this event by means of an armaments truce."

The Council then was requested "to ask the governments to state before Nov. 1, 1931, whether they are prepared for a period of one year as from that date to accept this truce in armaments." By Nov. 5, thirty-eight governments had signified their willingness to take part in the truce. These include the Soviet Union, the United States and all the European countries except Greece and Portugal. The League has not declared formally that the truce is in effect, but the United States Department of State considers that it is already morally bound to observe the terms of the truce.

THE SESSION OF THE LEAGUE COUNCIL

The sixty-fifth session of the Council was devoted mostly to a discussion of the Sino-Japanese quarrel, but in the meantime other important steps

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were taken, especially in the economic field.

The International Agricultural Mortgage Credit Company con-

vention has been ratified by twenty-four of the twenty-seven European countries, all except Albania, the Irish Free State and Norway. The Council appointed a president and vice president of the company and appropriated \$10,000 to cover preliminary expenses. Austria and Hungary are again in serious financial trouble and have appealed to the League for help. A commission has been sent to study Hungary's problems, and Royall Tyler is to act as League commissioner to supervise the financial steps taken to balance the budget and protect the loan.

Even while the Manchurian crisis is at its height, the League is sponsoring a new convention to "improve the means for preventing war." The treaty provides that the nations will agree to withdraw their troops behind lines fixed by the Council. They further agree that the Council shall supervise the withdrawal and shall appoint commissioners to verify the execution of the measures. If any nation refuses to obey the Council in withdrawing its troops and if war breaks out, that nation shall *ipso facto* be declared the aggressor. The treaty will come into effect when ratified by ten countries. It has already been signed by Austria, Spain, Greece, Lithuania, Uruguay and Norway.

CALENDAR REFORM

The Fourth General Conference on Communications and Transit opened on Oct. 12. The first business was the

reform of the calendar. Two plans were considered—one dividing the year into thirteen months of twenty-eight days each, the other dividing it into four exactly equal quarters of three months. Each of these plans has one extra day, "year day," that would not be recorded as a day of the week or month. Both plans were opposed at the conference by certain religious sects that strongly uphold the routine of a Sabbath each seven days. As a result of this opposition, the only constructive result was to plan for making Easter the Sunday after the second Saturday of April.

The Permanent Central Opium Board, at its meeting on Oct. 21, considered statistics from the various countries concerning the manufacture and consumption of narcotic drugs. France was severely criticized for slowness in submitting figures from her colonies. Pressure of public opinion was also brought to bear on the Latin-American States which have been negligent in supplying figures.

RATIFICATIONS

The Irish Free State has ratified the general act for the arbitration of all disputes. Latvia has ratified the convention for the simplification of customs formalities. Czechoslovakia ratified the convention for arbitral awards and the one on counterfeiting of currency. Poland has signed the 1931 treaty for limiting the manufacture of drugs and Great Britain the treaty for the preservation of whales. Spain has ratified the International Labor Organization convention looking toward workmen's compensation for agricultural laborers.

SIZE OF WORLD ARMAMENTS

The replies from the governments are gradually disclosing the strength of their armies, navies and air forces. The figures for Great Britain and the United States have already been given (see October CURRENT HISTORY, p. 106). The military strength of the

following nations has been published by the League:

Country	Men in Army	Tons in Navy	Air-planes
France	466,363	628,603	1,667
Germany	100,500	125,780	...
Czechoslovakia ..	138,788	...	546
Rumania	240,501	6,000	800
Spain	195,393	129,783	321
Finland	31,575	15,842	...
Poland	265,980	6,020	700
Estonia	13,500	...	74
Norway	5,700	28,000	179
Japan	259,304	850,238	838

INTERNATIONAL LABOR ORGANIZATION

At the fifty-fifth session of the governing board of the International Labor Organization on Oct. 10, M. Ernest Mahaim of Belgium was elected chairman and Sir Atul Chatterjee vice chairman. The workers' delegates asked to have the forty-hour week put on the agenda of the 1932 general conference, but the proposal was defeated, as was a suggestion for an unofficial conference on the same subject. The regular committee on unemployment was asked to study improvements in working hours. The idea of sending a mission to Egypt to help organize a department of labor there was approved, as was the textile committee questionnaire on conditions of work in that industry.

THE WORLD COURT

The World Court cannot be criticized on the grounds of political influence brought to bear on the judges in its last advisory opinion. The question was a dispute between Poland and Lithuania as to whether or not Lithuania was legally required to open for traffic the Landwarow-Kaisiadorys railway sector. The court on Oct. 15 ruled unanimously that Lithuania is not required to do so, the Polish judge voting with his colleagues against the point of view of his country.

On Nov. 9 the court began hearings on an advisory opinion concerning the treatment of the Poles in Danzig.

American Problems Before Congress

WHEN the Seventy-second Congress as-

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sembles on Dec. 7, it must face a maze of complicated problems which press for solution. Not for many years, if ever before, have either foreign affairs or domestic questions been so important. Unfortunately the constitutional and political system in America permits the confusion of national with international questions to the disadvantage of both. Yet at the present time it may well be that any satisfactory answer to America's problems—which are so largely economic—will depend upon an astute foreign policy. The tradition of *laissez-faire* in the American economic system is another snare in the situation. To complete the dilemma of the Representative or Senator who attempts to unravel this tangle, there is the necessity to bear constantly in mind the approaching national election and the possibility that political misadventure may result from any departure from the traditional American antipathy to European commitments or from any but a middle-of-the-path attitude toward governmental interference in the national economy.

The first difficulty of the new Congress will be organization. At the Congressional elections in November, 1930, the Republicans carried 218 seats, the Democrats 216 and the Farmer-Labor party 1. But a series of deaths during the past year have upset the election results. In the elections on Nov. 3 to fill these vacancies the Democrats gained one seat, giving them 217. Two vacancies in the House still exist: the seat of Ernest R. Ackerman of New Jersey is to be filled by a special by-election on Dec. 1, but that of the late Fletcher Hale of New Hampshire will be vacant until January. As a result, unless before Dec. 7

there are deaths among the Democratic Representatives-elect, the Democrats will be in a position to organize the House, choosing the Speaker and the chairmen of committees and dominating committees by providing a Democratic majority membership in each.

The situation in the Senate is less certain. Although the death of Senator Caraway of Arkansas on Nov. 6 apparently gave the Republicans definite control over Senate organization, the Republican majority will be continually in danger because of the attitude of the Progressives, who cannot be relied upon once the Senate has been organized. At present the actual Republican strength is forty-seven, but the seat of the late Senator Morrow of New Jersey is certain to be filled by a Republican, as Governor Larson of New Jersey is expected to appoint a successor before the Democratic Governor-elect begins his term of office. As Senator Long of Louisiana is not expected to take his seat until February, the party strength in the Senate at the opening of Congress will be Republicans, 48; Democrats, 45; Farmer-Labor, 1.

In the background is certain to be constant discussion of the forthcoming Presidential campaign. Occasional rumors of Republican revolt against President Hoover have been heard, but little credence can be given to them. A report from Washington on Oct. 31 disclosed that a group of Republican business men had offered to finance a primary campaign for Senator Borah as a candidate for President. This group declared that an anti-Hoover revolt was in progress in the Middle West. There has been more talk, however, about the Republican candidate for Vice President, always assuming that Mr. Curtis will

not stand for re-election. Theodore Roosevelt, Governor of Porto Rico, and Secretary of War Hurley have been prominently mentioned as candidates. The probable Democratic Presidential candidate is still uncertain, although Governor Roosevelt of New York is the most prominent contender for the nomination and at the moment seems to have more organized support than any other candidate.

The election on Nov. 3 seemed to indicate a definite trend away from the Republican party. In the Eighth Michigan Congressional District—long a Republican stronghold—a Democratic Congressman was elected. New Jersey, for the first time since Woodrow Wilson was Governor, has a Democratic Governor, House and Senate. Kentucky, which was Republican in 1928, has elected a Democratic Governor by a large majority. In many local elections, also, the Democrats have made inroads into normally Republican territory.

AMERICAN FOREIGN POLICY

During the nine months since the end of the Seventy-first Congress much has occurred in the realm of American foreign affairs which may be expected to cause fierce contention during the coming session. The Hoover moratorium, in so far as it effects the United States, must be approved by Congress and no doubt many members will seize the occasion to ring the changes on the entire matter of international debts and reparations. Senator Borah, in his now famous interview with the French newspaper correspondents on Oct. 23, came out publicly in favor of complete cancellation of interallied wartime and post-war debts provided that German reparations were canceled also. Following the Hoover-Laval statement on Oct. 25 (see article by James T. Gerould on pages 421-425 of this issue), it seemed obvious that the Hoover Administration would favor a downward revision of European debts

if there should be a reduction in the amount of German reparations.

American cooperation with the League of Nations during the Manchurian crisis is certain to arouse a good deal of ill-feeling in the two houses of Congress. Although Secretary of State Stimson maintained that the presence of Prentiss B. Gilbert, American consular representative at Geneva, in the League Council sessions did not mean that the United States had virtually entered the League, the press and politicians of the nation were not so certain. Senator Johnson declared on several occasions that the United States has been "shoved" into the League. On Oct. 30 he said: "The administration, acting for international bankers, seizes upon the occasion to rush us into the League of Nations—the League rejected by the United States Senate and at the polls repudiated by the American people. The act of the administration takes us into Europe's political controversies and is in violation of the Constitution and in defiance of the people's will." Yet public opinion, as far as it can be determined, was apathetic toward the question.

Some repercussion is probable from American acceptance of the League of Nations' one year's truce on construction of new armaments, although this is a matter beyond direct control by the Senate.

NAVY LEAGUE DISPUTE

Although likely to be settled in part before Congress meets, the dispute between President Hoover and the Navy League is certain to echo in the debates of the two houses. The dispute, which came to a head on Oct. 30, was the result of the cuts in the American naval building program announced on Sept. 28. (See November *CURRENT HISTORY*, pp. 265-266.) The Navy League has steadily dissented from the President's program and according to press reports the dissent was no less vigorous, although less vocal,

in the Navy Department itself. The President on Oct. 15 demanded that the budget be cut \$61,000,000 as a part of his drive for rigid governmental economies.

The first explosion occurred on Oct. 22 when Representative Will R. Wood, chairman of the House Appropriations Committee, denounced the "big-navy clique" which he said was attempting to thwart President Hoover's economy plan. On Oct. 28 the Navy League countered in a public statement which charged President Hoover with "abysmal ignorance of why navies are maintained and of how they are used to accomplish their major mission." Reviewing the navy policy of the Hoover Administration, the statement further declared that our navy is being subordinated to that of other powers. That evening President Hoover charged that an "indirect campaign of misinformation" was being conducted to defeat his economy plans. He announced that a committee would be appointed to investigate the charges of the Navy League and to "demonstrate these untruths and distortions of fact." Upon the completion of the inquiry, the President declared he would expect an apology from William Howard Gardiner, president of the Navy League. On Nov. 2 Mr. Hoover appointed a committee of five—Admiral Hugh Rodman, John Hays Hammond, Under-Secretary of State William R. Castle Jr., Eliot Wadsworth and Assistant Secretary of the Navy Ernest Lee Jahncke—to examine the accuracy of the Navy League's statements.

In a unanimous report handed to the President on Nov. 7 the committee appointed to examine the charges of the Navy League declared that the statements of the league contained "many inaccuracies, false assertions and erroneous conclusions." On every point at issue the committee decided in favor of the President, although declining to comment on Mr. Gardiner's assertions that the Presi-

dent showed an "abysmal ignorance" of the true nature of navies.

On Nov. 1 another element entered the controversy when Secretary Adams took issue with the World Peace Foundation for disseminating information tending to show that the United States was spending more than twice as much as Great Britain for its naval establishment. Secretary Adams declared that "although the United States' naval budget is greater than that of foreign powers, the ratio of the United States naval budget to national income is much less than that of other leading naval powers."

ECONOMIC CONDITIONS

Foremost in the minds of Congressmen as in the minds of most of their constituents is the general economic condition of the country, which, in spite of prophecy, optimistic speeches of business leaders and voluntary and governmental plans for economic betterment, has shown an obstinate trend away from recovery and toward steadily lower levels of business activity. At the end of October what seemed to be a press campaign to restore optimism in the general public reported that business conditions had turned and were on the upgrade. Reports gathered by The Associated Press and made public on Nov. 2 appeared to be uniformly encouraging, as was a similar report by the Annual Trade Survey of the National Association of Manufacturers. Almost simultaneously James A. Farrell, president of the United States Steel Corporation, told members of the American Institute of Steel Construction that there was undoubtedly evidence of improvement in business.

Nevertheless, there was abundant reason to be skeptical of these optimistic statements. One of the more conservative financial papers of the country declared on Oct. 30 that business records continued to show a slow movement downward. Furthermore,

business failures for October, according to R. G. Dun & Co., set a new record for the month with 2,362 insolvencies involving liabilities of \$70,660,436, an increase of 22 per cent over the failures for September.

The month of October was notable in the world of finance. Close upon the heels of 298 bank suspensions in September—the second largest on record and involving total deposits of \$271,299,000—came President Hoover's plan for the formation of a banking pool which would provide credit to relieve banks whose assets had become frozen. (See *CURRENT HISTORY* for November, pp. 263-264.) The first meeting of the board of twelve directors, each representing a Federal Reserve district, was held in New York on Oct. 17. Mortimer N. Buckner, chairman of the New York Trust Company, was chosen president of the new corporation. By Oct. 27 the organizers of the credit pool were able to inform President Hoover that his suggestion had been carried out and that the pool would soon be ready to begin operations.

While the effect of the formation of the National Credit Corporation was still undetermined, the financial world in October watched a large flow of gold from the United States and a rise in currency circulation which indicated an increase in hoarding by private individuals. An attack upon the dollar in European financial circles added a further complication. By the end of the month, however, the situation had greatly improved. A rapid and almost sensational outflow of gold from the United States began immediately after the British suspension of the gold standard on Sept. 20. Between Sept. 1 and Oct. 21 the United States lost about \$700,000,000 in gold. Much of this went to France as a result of French financial manipulation and of a whispering campaign in Europe which caused a genuine fear of a collapse of the dollar. Nevertheless, the United States was a long way from

the danger point of a depleted gold reserve.

The campaign against the dollar, except in England, where the Rothermere press was outspoken in its attacks, was under cover and hard to answer. By the end of October the rumors which had caused small European investors and the less important banks to sell their American securities had been discredited and European funds again were apparently seeking investment in New York.

Throughout October the hoarding of currency in the United States continued. In spite of the contraction of business, currency circulation increased \$694,000,000 between July 15 and Oct. 21. On Oct. 15 the Federal Reserve Bank of New York raised its rediscount rate from 2½ per cent to 3½ per cent in an attempt to combat currency hoarding. As a result of the rise in the rediscount rate, some return of confidence in the American banking structure or both, the volume of money in circulation in the last week of October declined by \$24,000,000, and there seemed to be reasons to hope that this one of our financial problems had been settled.

THE CONDITION OF LABOR

Labor questions are certain to be aired in the new Congress. The actual number of unemployed is difficult to determine—perhaps 7,000,000—but certain it is that employment is no more available this Fall than it has been during preceding months. At a dinner in New York on Oct. 19, given by the Emergency Unemployment Relief Committee, it was estimated that 750,000 were out of work in that city alone. The Department of Labor, in a report issued on Oct. 23, stated that for every 100 persons employed in manufacturing establishments during September, 3.58 were taken on, compared with 5.62 laid off. In only two industries, furniture and meat slaughtering and packing, were more workers taken on than dismissed. Em-

ployment, however, in fifteen great industrial groups showed an increase of 0.8 per cent for September over August.

The labor dispute of the moment which has received most attention is that of the textile workers of Lawrence, Mass., where some 23,000 workers walked out on strike for several weeks as a protest against a 10 per cent wage reduction. The American Woolen Company, one of the concerns whose plants were closed by the strike, announced that it would not compromise on the wage cut, and the workers, many of whom are affiliated with the American Federation of Labor, were no less uncompromising until Nov. 9, when 11,500 resumed work, accepting the wage cut. Many more asked for employment, but production lagged.

The outstanding phase of the labor problem during October was undoubtedly the campaign to raise funds for unemployment relief. Using radio broadcasting, newspaper advertising, news service and motion pictures, the drive opened on Oct. 19, after President Hoover in a radio broadcast had appealed to the nation for support of the campaign for private relief. The sum to meet national needs was estimated by the Association of Community Chests and Councils at \$500,000,000 or more.

Although much has been made of the work of private agencies for the relief of the unemployed, an increasing proportion of the burden is falling upon local, State and Federal agencies. New York City, for instance, which has set a goal of \$12,000,000 in its campaign for private funds, has appropriated \$15,000,000 to take care of 100,000 families until June 1, 1932. From the Federal Government, \$125,000,000 has been apportioned among the States to aid in the building of roads—an attempt to provide employment. Since Dec. 1, 1920, according to President Hoover's organization on unemployment relief, contracts for

\$2,517,699,646 for public and semi-public works have been awarded.

In the background of these measures for unemployment relief is the ever-present shadow of some scheme of State unemployment insurance or "dole." There is almost certain to be some talk of State insurance in the Legislatures which convene this Winter and possibly in Congress. Nevertheless, organized labor, for the moment, seems to be opposed to any such proposals if the stand at its annual convention at Vancouver early in October can be accepted. Senator James J. Davis of Pennsylvania, former Secretary of Labor, in speaking before the convention on Oct. 6, bitterly denounced any system of compulsory unemployment insurance under government auspices. A few days previously an observer had forecast that the federation was likely to take a stand that if industry cannot provide employment there must sooner or later be a definite plan for unemployment insurance. The members of the convention, however, finally voted that compulsory unemployment insurance was "unsuited to our political and economic requirements and unsatisfactory to American working men and women." Nevertheless, William Green, who was re-elected president of the American Federation of Labor, pledged himself to appear before Congress as soon as it convened to demand that "millions, billions, if necessary, be appropriated for relief without delay."

PLANS FOR ECONOMIC BETTERMENT

Alongside the plans for relief of unemployment have gone many schemes for the improvement of economic conditions generally and for aid to particular industrial fields. On Oct. 28 the committee on employment plans and suggestions of the President's organization on unemployment relief made public a ten-point program to speed business recovery. The recom-

mentations were summarized as follows:

- 1—Resumption of Work.
- 2—Further Credit Relief Needed.
- 3—Bankers Must Broaden View.
- 4—Spread Work.
- 5—Civil Service.
- 6—Public Works.
- 7—White-Collar Relief.
- 8—New Concept of "Work."
- 9—Community Surveys.
- 10—Farm Labor Plans.

Harry A. Wheeler of Chicago, chairman of the committee, declared: "As the most nearly self-contained nation, we have within our own boundaries the elemental factors for recovery. Our national wealth, even stripped of the inflated value foolishly placed on it, still is greater than our pre-war wealth; it is greater, too, than it would have been under any normal increase between 1914-1931. The overwhelming volume of our domestic business in comparison with export trade places us in position to develop internally a constructive recovery if we grasp the opportunity which is still ours."

At the same time hearings were being held in Washington before a Senatorial subcommittee of which Senator La Follette is chairman in regard to a national economy council proposed by the Senator from Wisconsin. Senator La Follette has maintained that a Federal council is necessary for advisory purposes, the coordination of statistics and for long-term industrial planning. Before the subcommittee Gerard Swope, president of the General Electric Company, defended his own plan for voluntary trade associations under the supervision of a Federal board. James A. Farrell, president of the United States Steel Corporation, and Eugene Meyer Jr., Governor of the Federal Reserve Board, likewise opposed the La Follette plan in the subcommittee's hearings. Meanwhile the American Institute of Steel Construction in its convention at White Sulphur Springs, W. Va., went on record as favoring the Swope plan

as a means of stabilizing the steel construction industry.

HOPE IN AGRICULTURE

At the end of October, for the first time in many months, there were glimmers of hope in the agricultural areas of the United States when a rise in the price of grains was estimated by Oct. 31 to have added \$328,000,000 to the value of grain holdings since the low levels of Oct. 5. Apparently a world wheat production below last year's and a decline from the estimated size of the Russian wheat crop have caused an increased demand for American wheat. On Oct. 31 it was being predicted that wheat would reach \$1 as the upward price movement continued. The price of December wheat rose from 44 $\frac{5}{8}$ cents on Oct. 5 to 63 cents on Nov. 2. Some increase has occurred in the price of other grains—corn, oats and rye—to improve further the conditions in the grain-growing areas of the country.

The Department of Agriculture on Oct. 1 forecast that the cotton crop would reach 16,284,000 bales—the second largest in the country's history. In spite of this estimate, the price of cotton rose slowly and irregularly during October. Meanwhile the movement in the South to curtail cotton production by legal methods was spreading. On Oct. 9 the Legislatures of Arkansas and Mississippi passed bills similar to one enacted previously by Texas—namely, to restrict the planting of cotton in 1932 and 1933 to 30 per cent of the land under cultivation. The restriction, however, is to become effective only if enough States adopt similar measures so as to affect three-fourths of the nation's crop.

A rise in the price of crude oil has brought joy to the oil-producing areas of the country. When Governor Murray of Oklahoma ordered the stoppage of oil production in his State on Aug. 5, the bulk of Oklahoma's oil was selling at 42 cents a barrel; by Nov. 3 the price had risen to 85 cents. Secre-

tary Wilbur has attributed the improvement in oil prices to three causes—the withdrawal of public lands from drilling; the development of unit operation in the Kettleman Hill oil field in California; the development of co-operation among the principal oil-producing States which has resulted in control of actual oil production.

GOVERNMENT DEFICIT

As a result of the economic difficulties of the nation, the government's income has been declining until on Oct. 28 it was disclosed that for the first four months of the 1932 fiscal year government expenditures were more than double the income. The period showed a deficit of \$674,575,-960.59. This situation makes clear that Congress must provide new sources of revenue, although this is known to be opposed by the Republican Senate leaders. Senator Reed Smoot, chairman of the Senate Finance Committee, however, has declared in favor of a selective sales tax.

THE RAILROAD PROBLEM

The railroads of the United States have been one of the major industries most severely affected by the slackening of business life. In June the nation's roads petitioned the Interstate Commerce Commission for a blanket rise of 15 per cent in freight charges. Hearings for all interested in railway rates were held during the Summer and early Fall, previous to the announcement of the commission's decision on Oct. 20. The commission denied the petition of the roads but offered a substitute plan for increases on specific articles which it was estimated would increase the revenues of the roads by \$100,000,000 to \$125,000,000. Furthermore, the proposal of the commission called for pooling of the revenues resulting from the increased rates "and the distribution of that fund among the carriers who fail to earn their interest charges, in proportion to their deficiencies." To avail

themselves of the proposed increases, the roads must notify the commission of their acceptance or rejection of the plan by Dec. 1.

The decision of the commission caused considerable disappointment among railway executives who assembled at Atlantic City on Oct. 22 for their regular Fall meeting. A committee was appointed to draw up proposals which would modify the plan in such a way as to satisfy both the roads and the commission.

While the decision of the railroads was still pending, their condition was not improving. The first sixty-six roads to report their operating income for September showed a drop of 46.4 per cent from the income for September, 1930, the largest decline for any month in the present year except February, when income dropped 54.2 per cent. In an attempt to reduce operating expenses, several roads were negotiating with railway unions for a reduction in wages. On Oct. 30 the New York Central opened negotiations for a voluntary wage reduction of 10 per cent. The roads likewise were cutting personnel as much as possible. The New York Central, for instance, has reduced its employees from about 170,000 on Dec. 31, 1929, to approximately 115,000.

Another possible means of railroad economy became apparent in a plan for Eastern railroad consolidation which, after ten years of effort, was presented to the Interstate Commerce Commission on Oct. 3. Four separate systems were recommended, in the following principal combinations:

- 1—Baltimore & Ohio System, to which would be added the Ann Arbor, the Atlantic City, the Buffalo & Susquehanna, the Jersey Central, the Buffalo, Rochester & Pittsburgh, the Reading, the Western Maryland, the Chicago & Alton, the Lehigh & Hudson River and the Chicago, Indianapolis & Louisville.
- 2—Chesapeake & Ohio System, to which would be added the Nickel Plate, Pere Marquette, Erie and its subsidiaries, the Bessemer & Lake Erie, the Chicago & Eastern Illinois, the Wheeling & Lake Erie and the Lehigh Valley.

- 3—Pennsylvania System, to which would be added the Long Island, West Jersey and Seashore, the Detroit, Toledo & Ironton, the Wabash and the Norfolk & Western.
- 4—New York Central Lines, to which would be added the Lackawanna and the Ulster & Delaware.

PHILIPPINE INDEPENDENCE

One of the most irritating and possibly embarrassing questions which will be aired in Congress is that of the Philippines. As a result, apparently, of the report by Secretary Hurley after his visit to the islands, President Hoover issued a statement on Oct. 27 in which he declared that the problem of Philippine independence is one of time. "Economic independence of the Philippines," he declared, "must be attained before political independence

can be successful. Independence without assured economic stability would result in the collapse of Philippine Government revenues and the collapse of all economic life in the islands." Five days before, Manuel Quezon, president of the Insular Senate and head of an independence mission to the United States, arrived in Manila from America, where he had advocated independence in various forms—either immediately or under the guise of advanced autonomy, with independence at the end of a ten-year period. Meanwhile, there were recurring rumors that Governor General Davis was to resign during the coming Winter, when in the United States on leave. Mr. Davis, however, has stated repeatedly, "When I resign I will announce it myself."

Calles Again Mexican War Minister

WHEN a political crisis of major proportions developed in Mexico in mid-October, ex-President Calles once more emerged as the

"strong man" of the nation. The entire Cabinet of President Ortiz Rubio resigned on the night of Oct. 14, and the following day the resignations were accepted. Resignations outside the Cabinet followed—the head of the Federal District, the chief of the Public Health Department and the Attorney General. On Oct. 16 the members of the executive board of the dominant national revolutionary party resigned, as did the territorial Governors of the Northern District of Lower California, the Southern District of Lower California and Quintana Roo.

When President Ortiz Rubio announced the resignations of the members of his Cabinet, he stated that "on several occasions there have appeared in political and governmental circles

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indications of a crisis productive of lamentable public unrest." Then followed the announcement: "All members

of the Cabinet presented their resignations in order to leave their Executive in a position to reorganize the government on a basis of freedom from political unrest." At the same time President Ortiz Rubio stated that ex-President Calles had "agreed to lend his cooperation by accepting appointment as Minister of War."

Great significance was attached to the appointment of General Calles, since he declared when his Presidential term expired in 1928 that he would not return to political life except in an emergency. The next year General Amaro resigned to permit Calles to become temporarily Minister of War during the Escobar rebellion. Late in July, 1931, he accepted a strategic position with the Bank of Mexico, which gave him virtual dic-

tatorship over the country's finances.

General Calles, on Oct. 16, issued a statement in which praise of the army for its loyalty was coupled with a warning to possible trouble-makers: "The motive behind my acceptance of the office of Minister of War," he said, "and the act of loyalty, disinterest and patriotism on the part of General Amaro is to facilitate the path of the government of the republic in solving a political crisis. * * * The fact that General Amaro has left the Ministry of War does not indicate that the government will not make use of his services where they may be considered necessary." Later, in addressing a group of Generals, Calles said that the political crisis had been "solved, due to the patriotism of certain members of the army, principally among them General Amaro."

On Oct. 21 the new Cabinet was made public. In contrast with the number of militarists in former Cabinets, the new is composed principally of civilians and includes three who had resigned a week earlier from the old Cabinet.

MEXICAN CHURCH AND STATE CONFLICT

A plea that Catholic priests be permitted to function unhampered in the State of Vera Cruz, where recently the number of priests was restricted by the State Legislature to thirteen, was made on Oct. 12 by Bishop Rafael Guizar y Valencia of the Diocese of Vera Cruz in a letter to the Mexico City newspaper *La Prensa*. The State of Vera Cruz has five bishops, but Bishop Guizar y Valencia pointed out that under existing legislation only eight priests were left for the entire area. Allowing for two priests in each diocese other than his own, the latter, with an area of 25,000 square miles and a population of 800,000 and a total of more than 300 churches, would have only two spiritual advisers.

Tension between Catholic and anti-clerical elements in the State of Vera

Cruz culminated in a sanguinary conflict at the village of Tlapacoyan on Oct. 17 and 18, in which the Mayor and twelve others lost their lives.

Archbishop Leopoldo Ruiz y Flores, the Apostolic Delegate, in an open letter to the Catholic hierarchy on Oct. 15, declared that the Catholic Church will not permit the clergy to resist by force present legislation which greatly limits the number of priests in various States. In a pastoral letter issued on Oct. 24, Bishop Rafael Guizar y Valencia of Vera Cruz explained that, according to the Vatican's orders, "neither the Episcopate nor the clergy can take part in armed movements."

Minister of the Interior Téllez on Oct. 29 stated that he proposed to see that the religious laws were complied with and that Catholics received justice.

Joaquín de Jesús Pérez, the former patriarch of the schismatic Mexican Catholic Church, died in Mexico City on Oct. 9 at the age of 81. The schismatic organization which he headed, and which its founders hoped would become a national church, was organized in 1925, shortly before the church and State conflict in Mexico reached a crisis. The movement, however, met with only slight success, and, repentant, Patriarch Pérez on his death bed called for a priest, who absolved him. This action was ratified by Archbishop Pascual Díaz of the Orthodox Catholic Church.

NEW MEXICAN AMBASSADOR TO THE UNITED STATES

The appointment of Dr. José Manuel Puig-Casauranc as Mexican Ambassador to the United States to succeed Señor Manuel Téllez was announced by the Mexican Ministry of Foreign Relations on Oct. 1. Dr. Puig-Casauranc has had a long career as physician, publicist and politician. He has served in both houses of the Mexican Congress, was campaign manager for General Calles in the Presidential election of 1924, and during the past

seven years has served twice as Minister of Public Instruction and once as Minister of Industry, Commerce and Labor. He resigned recently as Minister of Public Instruction to head a committee appointed by President Ortiz Rubio to reorganize government departments.

PANAMAN POLITICS

The National Liberal party of Panama, at the end of its convention on Oct. 17, nominated Dr. Augusto Boyd for President in the elections to be held in June, 1932. It was this party that elected President Arosemena in the last regular election and controlled the government of Panama until the revolution of last January. The nomination of Harmodio Arias, present Minister to the United States, by the Doctrinal Liberal party at its forthcoming convention, is regarded as a foregone conclusion, as is the nomination of Don Francisco Arias Paredes by the Reform Liberals.

The Cabinet which resigned on Oct. 5 was replaced on Oct. 9.

HONDURAN-Guatemalan ARBITRATION

The exchange of ratifications of a treaty signed in 1930 between Guatemala and Honduras, which provides for the arbitration of a century-old boundary dispute, was made in Washington on Oct. 15 by Guatemalan Minister Adrián Recinos and Honduran Minister Celeo Dávila. The exchange of the ratifications of the two governments definitely places the final arbitration of the boundary dispute in the hands of Chief Justice Charles Evans Hughes of the United State Supreme Court and two other neutral arbitrators, namely, Bello Codecido of Chile and Castro Arena of Costa Rica.

RENEWAL OF CUBAN DISORDERS

The proposed constitutional reforms in Cuba, which were endorsed by President Machado and adopted by the House of Representatives in Septem-

ber, in the hope that they would ease Cuba's economic and political difficulties, have failed to materialize.

The Senate on Oct. 22 unanimously approved in principle the proposed constitutional reforms that had been before it since their adoption by the House of Representatives on Sept. 17. At the same time, however, it effectively sidetracked the proposed reforms by postponing discussion on them until action could be taken on the pressing economic problems which were outlined in a special message by President Machado on Oct. 10. That message recommended increases in existing tax rates, the creation of new taxes and the reduction of Congressional and Judicial Department expenses.

Perhaps in consequence of this, or perhaps but coincidentally, the bombings which were so general throughout Cuba for some months preceding the abortive rebellion of last August were resumed on a wholesale scale during October. Explosions in Havana between Oct. 2 and Oct. 24 totaled no fewer than ten, and, aside, from property damage, injured sixteen persons.

Government efforts to curb terrorist bombings resulted in the seizure by Havana police on Oct. 12 of forty dynamite bombs, explosive material and apparatus for manufacturing bombs. Four days later fifty good-sized bombs and a quantity of explosive material was seized in Camaguey Province. In Santa Clara Province on Oct. 18 sixteen prominent merchants began serving thirty-day jail sentences for having had in their establishments arms and ammunition in violation of the law. Instructions to shoot on sight persons caught in the act of placing bombs were issued to the Havana police on Oct. 22. Drivers of cars were also warned to stop when ordered to do so.

A strike which was called in Havana on Oct. 2 by compositors, who refused to accept a 15 per cent wage reduction, affected all mechanical workers in

Spanish-language newspaper plants and resulted in a suspension of the newspapers *El Mundo*, *El Pais* and *Informacion*. Six days later the two last-mentioned papers were able to resume publication on an "open-shop" basis, while offering, at the same time, to give preference to former employees for their old jobs. The strike terminated disastrously for the compositors on Oct. 9, when they were forced to accept a 25 per cent reduction instead of the 15 per cent first offered by the newspapers.

The value of Cuban imports during the first half of this year amounted to only \$49,386,452. These figures indicate that the value of imports for 1931 will fall far short of that of the 1930 total of \$162,452,263. Cuban exports also have decreased alarmingly; during the first half of 1931 they amounted to \$55,029,635, compared

with \$272,439,762 in 1929, and \$167,410,669 in 1930. Correspondingly, Cuban customs house receipts have declined. Receipts for the first nine months of 1931 amounted to \$17,619,973, as compared with \$25,157,564 for the same period in 1930.

As a result of the drastic slash in the national budget, which was decreed by President Machado on Oct. 1, approximately 100 teaching positions in the University of Havana and in the high, normal and commercial schools of Cuba, which were not filled by competitive examinations, were abolished. At the same time the salaries of all teachers were reduced 19 per cent and the wages of other employes in the Department of Public Instruction by 25 per cent. The savings thus effected are expected to total approximately \$1,430,000 out of an original educational budget of \$9,500,000.

Changes in South American Governments

THE chronicle of the past month's events in South America presents in miniature a picture of some of the diverse movements, tendencies and conditions that have characterized the annals of the countries of that continent throughout 1930 and 1931. The common impression of the man in the street that South America's favorite form of political activity is to effect sudden and if necessary violent changes in government finds confirmation in the overturns in Ecuador and Paraguay. The belief among closer students of the question that the political ferment of the last two years has been due to a conscious striving for more democratic government, for constitu-

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tional methods in government, and for recourse to ballots rather than bullets, finds justification in part in the results of the elections in Peru and Ecuador and in the long-awaited country-wide balloting in Argentina, held on Nov. 8. Student demonstrations, strikes and mutinies among the military forces, which have been a regular concomitant of South American political and economic unrest, have again manifested themselves. Financial difficulties again appear in the chronicle with the suspension of cash payments on the interest of Brazil's foreign debts and provision for a similar step if necessary in Colombia, while in Chile a complete moratorium, for banking as well as pri-

vate debt payments, is proposed. Thus the month affords, reduced in time of action though not in importance, a composite of a number of factors that during the past two years have played important rôles in the South American historical *mise en scène*. One factor alone is, relatively speaking, new—the lessening of economic pressure in Argentina because of the improvement in the wheat market and the rise in the peso. No one would be rash enough, however, in view of the fate of prophecies in this field, to predict that this heralds the approach of the end of economic depression. It may be merely a deceptive glimmer, not the light of dawn.

NEW GOVERNMENTS IN ECUADOR AND PARAGUAY

The provisional government of Ecuador, headed by Colonel Luis Larrea Alba, fell on Oct. 15 following an unsuccessful effort to establish a military dictatorship. It will be recalled that Colonel Larrea Alba succeeded former President Ayora in August. Repeated rumors that the provisional President desired to set up a dictatorial régime were given color by his request for "extraordinary powers" early in October, a request that Congress denied. Only two battalions were involved in the attempted military coup of Oct. 15, one of which fired on civilians, causing a number of deaths. A committee of Congress which waited on the President was informed that he had no desire to establish a dictatorship, but in spite of this explanation he was forced to resign. The President of the Senate, Alfredo Baquerizo Moreno, President of Ecuador from 1916 to 1920, succeeded to the provisional Presidency, after having been appointed Minister of the Interior in order to preserve constitutional forms. In the meantime preparations for election of a new President on Oct. 20-21 continued, the candidates being Neptali Bonifaz, independent Con-

servative; Modesto Larrea Jijón, Liberal-Radical, and Comandante (Major) J. Ildefonso Mendoza, of the Liberty party. The result was an overwhelming victory for Señor Bonifaz, capitalist and landowner of Quito, who was president for a short time of the Central Bank established in Ecuador on recommendation of the Kemmerer financial mission to that country, but who resigned after a dispute with the American financial adviser left in Ecuador by the mission. The President-elect announced that his administration would be a liberal one and that Captain Colón Eloy Alfaro, son of a former President of Ecuador, would be Minister of War. An outstanding feature of the election was its constitutional character and its freedom from pressure by the provisional government.

The student rioting which so often precedes political disorders in Latin America precipitated the crisis which led to the resignation of President José Patricio Guggiari of Paraguay on Oct. 26. Opposition to the government's moderate policy in the Gran Chaco territorial dispute with Bolivia was said to be the cause of the disturbances, during which the students stoned the President's residence. On the following day (Oct. 24) the President offered to resign, inviting Congress to investigate his administration. This offer was refused by leaders of his party, the Liberals, but the Colorado party, which had been co-operating in some respects with the administration, voted to instruct all members of the party holding office under the President to resign. Radical demonstrations against the government continued, and on Oct. 26 the President resigned in favor of the Vice President, Emiliano González Navero. The commander of the military forces in the capital, Major Bray, announced that the army and navy were supporting the government, and arrested a number of agitators active in the disorders of Oct. 23. The

country was under a "state of siege" (martial law). The new provisional President formed a new Cabinet, in which seats were retained by Gerónimo Zubizarreta as Minister of Foreign Affairs, and Rodolfo González as Minister of Finance, both of whom had served under President Guggiari. The other Cabinet members are Luis Escobar, Minister of the Interior; Victor Rojas, Minister of Justice, and Luis Ariart, Minister of War. The resignation of President Guggiari leaves only three countries in South America—Uruguay, Colombia and Venezuela—which have not undergone Presidential overturns in either 1930 or 1931.

PRESIDENTIAL ELECTION IN PERU

The Presidential election held in Peru on Oct. 11 resulted in a victory for Lieut. Col. Luis M. Sánchez Cerro, the leader of the revolution of August, 1930, which brought about the downfall of former President Leguía. Colonel Sánchez Cerro received 117,711 votes; Víctor Raúl Haya de la Torre, the nominee of the "Apristas," 85,546; José de la Jara y Ureta, the candidate of the "Decentralized" party, 17,846; and Arturo Osorio, 10,267. The official count was not announced until Oct. 26. The supporters of Haya de la Torre do not appear to have accepted the result of the balloting philosophically. *La Tribuna* of Lima, organ of the "Apra," declared on Oct. 20 that the election was marred by fraud—that voters in Callao, the port of Lima, were registered there and in the capital as well, and voted in both places. Dissatisfaction over the results apparently inspired an attack on the home of the President-elect on Oct. 25, in which the assailants adopted the American gangster device of firing from a moving automobile. Two days later, apparently as a reprisal, an attack was made upon the headquarters of the "Apristas," in the course of which two per-

sons were wounded. Continued friction caused the government finally to forbid political manifestations. The headquarters of both groups were ordered closed on the ground that the campaign was definitely over. The following evening supporters of the Opposition organized parades in protest against the decree forbidding mass meetings and manifestations. In the course of the disturbances a follower of the President-elect was killed and two others were wounded.

Colonel Sánchez Cerro will take office as a constitutionally elected President after having been the head of the military junta which ruled Peru from August, 1930, until March, 1931 (see CURRENT HISTORY for October, 1930, and April, 1931), when it was overthrown. It is to be hoped that he will benefit from his experiences, both as a successful revolutionist and as the victim of revolution, and that his natural impulsiveness will be restrained by the memory of the lack of success that attended his provisional Presidency.

ELECTION IN ARGENTINA

The Argentine election was held on Nov. 8, more than fourteen months after the provisional government of General Uriburu assumed office. The candidates were General Agustín Justo, National Democrat, and Dr. Lisandro de la Torre, candidate of the Progressive-Democrat-Socialist alliance. The Radical party, numerically the largest party in Argentina, had no candidate, its nominee, former President Marcelo de Alvear, having been "vetoed" by provisional President Uriburu shortly before the final date for filing nominations, the Radical party being unable to agree on another candidate in the brief time intervening before the closing date.

Radical dissatisfaction with Uriburu's policy was based upon two considerations. The first was the "veto" of the de Alvear nomination on the ground that his candidacy was

unconstitutional under the provisions of Article 77 of the Argentine Constitution, which forbids re-election of a President until a full six-year term has elapsed—a provision which is common in Latin America, being intended to prevent a President from succeeding himself. Inasmuch as former President de Alvear served from 1922 until 1928, when President Irigoyen, whom he had succeeded, succeeded him in turn, a strict interpretation of the article would seem to bar Dr. de Alvear, as only three years have elapsed since he relinquished the Presidency. The Radicals maintain that this point is not well taken, as the Constitution is not in force. A state of siege had been maintained uninterruptedly from Sept. 7, 1930, until the day before the elections, when it was lifted for two days, only to be reimposed on Nov. 9. A Supreme Court ruling that the Uriburu administration was a *de facto* government was issued on Sept. 10, 1930. Under these conditions, the Radicals hold that the Constitution is suspended and that de Alvear's disqualification on constitutional grounds is impossible.

The second cause for dissatisfaction is the deportation of de Alvear, Honorio Pueyrredón and other Radicals, followed by a decree ordering the prosecution for sedition of signers of the Radical party manifesto. As a result of this action, Radical leaders who had gone to Montevideo to consult their titular leader there considered it wise to remain rather than return to Buenos Aires.

Criticism of the provisional President has not been confined to the Radicals. The administration's apparent reluctance to call elections, its refusal to lift the "state of siege," its failure to state definitely when the government resulting from the elections would be permitted to assume office, its interference with free speech and a free press—all these have been attacked by other than adherents of the Radical groups as evi-

dence of the provisional government's desire to perpetuate itself. The government's apparent support of General Justo's candidacy led to charges by the Progressive-Democratic-Socialist group on Nov. 5 that the government was putting obstacles in the path of its candidates, both Congressional and Presidential. This it characterized as "official oppression."

GENERAL ECONOMIC CONDITIONS

On Oct. 18 cash interest payments on about \$500,000,000 of Brazil's foreign debt were suspended, with the announcement that payment would be made in scrip bearing 5 per cent interest, this scrip to be taken up and converted into bonds at the end of three years. Only three bond issues will continue to be paid in cash. Sinking fund obligations had already been suspended on Sept. 1. It will be recalled that debt payments have been completely suspended in Bolivia, Peru and Chile. In Colombia provision was made for the suspension of cash payments on foreign debts under a decree issued by President Olaya Herrera on Oct. 31 which authorizes the Export Control Board to veto transfers of funds abroad whenever such action is necessary to prevent a dangerous excess of gold exports. The amount of such suspended payments would be deposited in the Bank of the Republic to the account of the creditor. Bonds of the Mortgage Bank of Chile will be defaulted because of the inability of the bank to collect payments on its own loans. A general moratorium was recommended on Oct. 24 by the Mixed Commission of the Chilean Congress. Bolivia has established a "Supreme Economic Council" of nine members under the chairmanship of Carlos Victor Aramayo, formerly Minister to Great Britain. Although Argentina is laboring under a heavy foreign debt, her economic and financial condition showed marked improvement early in

November, when the peso made a substantial recovery and activity in the wheat and other grain markets dispelled somewhat the prevailing pessimism.

A general strike of merchants and manufacturers in protest against a sales tax and tax on workers' incomes began in Ecuador on Nov. 1. By Nov. 3 it had paralyzed the economic life of the country, and on Nov. 4 the government announced that the tax had been abandoned.

THE GRAN CHACO QUESTION

On Oct. 16 the five neutral governments which have been seeking to adjust the territorial dispute between Bolivia and Paraguay over the Gran Chaco, and particularly to prevent recurrence of the frontier clashes which have already imperiled the peace of South America, invited the other

American nations to join them in an appeal to the two principals to sign a non-aggression pact. On Oct. 19 all the other nineteen American nations had done so. On the same day Bolivia announced that her representatives at the conference in Washington on Nov. 11 would be Eduardo Diez de Medina, former Bolivian Minister to Washington, and Enrique Finot, who represented Bolivia in the negotiations of 1929 in Washington. The Paraguayan representatives were announced as Juan J. Soler, former Minister to Mexico, and César A. Vasconcelos. The latter had reached Buenos Aires when he was recalled in consequence of the refusal of the Colorado party to continue cooperation with the government of President Guggiari, and its mandate that all members of the party must resign public office under the administration.

British Conservatives' Electoral Triumph

THE people of Great Britain on Oct. 27 brought about an electoral revolution whose proportions literally startled all observers, from the most optimistic party hacks to the astute brokers in the City of London who had conducted a species of betting on the result. After over two years of a division in Parliament which was close to deadlock, the elections gave Mr. MacDonald's National Government a majority of 493 in a House of 615, and the Conservatives a majority of 327 over all other parties.

In the 1929 election the Conservatives polled 8,664,000 votes (about 33,000 per seat); Labor 8,380,000 (about 29,000 per seat), and the Liberals 5,301,000 (about 90,000 per seat). In 1931, ignoring the divisions

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among Labor and the Liberals, the Conservatives polled about 12,000,000 votes (about 25,000 per seat); Labor about 7,000,000 (over 100,000 per seat), and the Liberals about 3,000,000 (about 41,000 per seat). Thus the election severely diminished the Liberal vote, but the number of Liberal members increased, while the Conservatives took over a million supporters from Labor and most of the lost Liberal votes as well. This result becomes intelligible only if it is noticed that in 1929 there were many three-cornered contests and in 1931 very few. In 1929 there were only 102 straight two-party fights; in 1931 there were 409. Thus the election, while extravagant in its results in the House of Commons, was still characteristic of what

happens in a three-party system when two parties turn against a third and avoid fighting against each other.

The proportions of the reversal can be seen in the following table:

	Election, Oct. 5, 1929.	Nov. 2, 1931.	Nov. 2, 1931.
NATIONAL GOVERNMENT:			
Conservatives	260	263	471
Liberals	59	58	68
Labor	287	13	13
Others	9	4	2
OPPOSITION:			
Labor		267	52
Liberals and others ..		9	9

The violence of the rejection of Labor candidates even in such strongholds as dock regions, factory towns and centres of unemployment has rendered necessary general reconsideration of the significance of the other post-war elections, where Labor secured seats because of Liberal-Conservative rivalry, and the present huge Conservative majority has brought about serious reconsideration of the advantages of a two-party system.

In many senses the behavior of Ramsay MacDonald since July 31 has been symbolic of the behavior of the British people. During the first three weeks of August he became sufficiently impressed with the necessity of balancing the national budget to break with the party which he had spent his life in building. Labor, under trade union pressure, admitted the necessity of most of the economies necessary for balance, but would not accept reductions in unemployment insurance. MacDonald and Snowden and eleven Labor followers went over to form with Conservative and Liberal groups a government which thought it could save the pound by balancing the national books. (See also the article, "Ramsay MacDonald's Break with the Labor Party," on pages 331-337 of this magazine.)

The pound fell off gold on Sept. 21, and the new cry was to balance national trade as well as the budget. The subsequent debates in Parliament re-

vealed two things, first, that the Opposition Labor party was grievously disorganized by the loss of its most outstanding leaders; second, that the Liberal party, which had held the balance of power between Conservatives and Labor, could be split on the question of free trade or tariff. Outside Parliament the nation was bewildered by the course of events, anxious to punish the politicians whom it associated with its woes, and open to political evangelism. In the circumstances there was no practicable way of stopping a demand by the Conservatives for a new deal in a general election. Mr. MacDonald, as Prime Minister and still professing loyalty to Labor, had to bow to events or give up his leadership.

The traditional Conservative election appeal had been for a tariff by which trade could be balanced and industry protected. Both Labor and Liberals had been free-traders, particularly in regard to foodstuffs and raw materials, but the crisis had induced some of them publicly to profess some degree of conversion to tariffs. Moreover, the fall in the pound had automatically equipped Great Britain with a general tariff of about 20 per cent. It was an insoluble puzzle, therefore, to find a tariff plank which Labor would be sure to oppose and the other groups to support. Mr. MacDonald clung to his position as Prime Minister and Mr. Baldwin induced the Conservatives to tolerate him. The result was that an alliance corresponding roughly to the Conservative, Liberal and Labor elements in the emergency National Government had to go to the polls behind MacDonald without specific tariff proposals as part of its platform.

The government's campaign appeal had to be as vague as possible (the usual planks were stabilization of the pound, reconsideration of war debts and reparations, the balancing of

trade and economic pacts with the Dominions); indeed, it resolved itself into a simple appeal for confidence and *carte blanche*, occasionally complicated by varying and indefinite ideas about tariff, but in general resting squarely on a wholesale denunciation of Labor. In this denunciation Mr. MacDonald, Mr. Snowden and Mr. Thomas were if anything more scathing than Conservative and Liberal spokesmen, and equaled them in painting the inevitable ruin which would attend the return of Labor to power. There is not the slightest reason to question the sincerity of their motives. The mere fact of their apostasy from Labor made them the men who did most to win the election for the Conservatives.

The central charge was that, having got Great Britain into an appalling mess, Labor had accepted the necessity for 90 per cent of the economies, all the new taxation, and even the tariff principle, in order to balance the budget and external trade, but had finally evaded responsibility for the ungrateful task of tightening the national belt by objecting to a cut in unemployment insurance which was clearly justified by the fall in cost of living. Mr. Baldwin struck this note in his speech of Oct. 9. The Socialists had "ratted" and "run away." Mr. Snowden was more dramatic—they were "little Laborite Lenins who ran away." Throughout the election he used his prestige and his reputation for disinterestedness as to public office to add force to some quite remarkable vituperation.

Less actual energy was expended in the second line of attack, that against Labor's program. Their Scarborough platform was by any standard in this election the most precise, systematic and comprehensive, but it was rather remote and academic, and Labor had no leaders who could translate it into simple, appealing terms at the hustings. Indeed, the whole Labor campaign lacked sting and confidence and election day found

Mr. Henderson sick in bed. It was an easy matter, therefore, for Snowden to dismiss Labor's proposals from many voters' minds by calling them "Bolshevism run mad."

One line of attack took the form of predicting a collapse in the pound if Labor were returned. (Actually it fell from \$3.90 before the election to \$3.68¼ on Nov. 3 after Labor's defeat). Mr. Baldwin said: "If the Socialist party is returned and puts its declared policy into operation, it will plunge the nation into irretrievable ruin. You will see the pound smashed and the poor starving." Mr. MacDonald confessed that it was "a difficult thing to work up enthusiasm over a pound note," but he succeeded. He had already had himself photographed holding a letter posted in Germany when stamps cost billions of marks. His electoral version was to hold up to his audiences three German 20,000-mark notes of 1923, remark that their nominal value was \$15,000, and then point out that as four days' wages for a German miner they would buy less than ten English shillings. Did the English miners want the pound to go the same way?

Sir John Simon, at the head of the pro-tariff Liberals, confined himself exclusively to that note. "Which is better, to have a pound which is a worthless scrap of paper or have 18 shillings which will still buy the things most needed?" Perhaps the high point of this alarmism was reached by the Bishop of London on Oct. 26, the eve of the elections. If Labor should be returned, he said, "the pound will fall to 5 shillings (\$1.20) within twenty-four hours and to a penny (2 cents) in a month." When a member of his audience objected to this ecclesiastical entry into politics, he retorted that he was giving "spiritual guidance."

Probably the most convincing evidence of the panic sentiments of the electors was the fashion in which such a stronghold of free trade as Lancashire ignored the trade revival

which followed the tariff effects of a cheaper pound. Out of 66 seats 61 went to the pro-tariff Nationalists. The more substantial elements of this textile district were prepared to accept the already apparent benefits of tariffs equivalent to the depreciation of the pound, because the duties would automatically disappear from the raw materials which they imported as trade became balanced. It was quite another matter to elect so sweepingly a party which believed in high tariffs on principle. Birmingham was cheered when Manchester put its head in the tariff noose.

Mr. MacDonald continued to symbolize the nation by the courageous decision, which was in keeping with his own dramatic instinct, to contest Seaham Harbour, the mining district in Durham whose local Labor party had just formally disowned him. Opposed by William Coxon, his own former election manager, he began the campaign as a political pariah, jeered at and cried down when he protested: "I was Labor at my birth, and I shall be Labor at my death." His posters proclaimed: "The world expects Seaham to return MacDonald." When it was suggested that he did not really plan to make his future in the House of Commons, but as Viceroy of India or Ambassador to the United States, he indicated that those high offices had already been offered to him and refused. It was Prime Minister or nothing. "I am not going to be run by any party."

Seaham responded in a fashion no one had foreseen and returned him, in what amounted to a straight fight with Coxon, by a majority of 6,000 in 50,000 votes. Mr. MacDonald's prestige with the Conservatives was so enhanced by this triumph that no hindrance was put in the way of his receiving the resignations of the whole former Cabinet, so that he might have full discretion in the awkward task of forming a new one.

The reaction to victory was necessarily tempered by fears of Conserva-

tive dictatorship and extremism. MacDonald's comment was: "The very emphasis of the response is embarrassing." Baldwin hastened to state: "This is no party victory." Snowden tempered his exuberant welcome to "a magnificent justification of democracy" by the pious statement that "this is not the end of the Labor party." Henderson, himself defeated and knowing that only three Labor members of Ministerial rank had won election, remarked from his sick-bed: "It is not the first time the electors have been duped on a grand scale." Lloyd George, also a sick man, who had seen his following shrink to a family group of five, contented himself with a feeble quip about the deluge.

It was generally held that the election meant the transformation of the present automatic general tariff of about 20 per cent into a systematic structure of considerable height. The so-called Birmingham or Page Croft group of Conservatives, which accepted the leadership of Neville Chamberlain and had the support of the press owned by Lord Rothermere and Lord Beaverbrook, amounted to a block of between 175 and 200 and was said to have its tariff schedules all prepared. There was a great deal of negotiation for the meeting of the postponed Ottawa imperial economic conference, but its character depended so much on the British tariff structure that it must await its erection. India looked forward to a much less conciliatory British policy in spite of MacDonald's assurances. Greater self-concern and isolation were anticipated in foreign policy, and Geneva felt the cooling of British internationalism and saw the beginnings of a conciliatory British policy toward France.

A good deal of inter-party negotiation began at once, but the real Parliamentary situation could not clarify until Mr. MacDonald announced his Cabinet and members took their seats on the significant benches of the House. The Conservative group was

clear-cut, and its 13 Labor adherents were as yet indistinguishable from it. The Labor Opposition of 52, although practically leaderless in the House, was quite solid. Mr. Henderson, it was decided on Nov. 3, would remain leader of the party outside Parliament, with the veteran, Mr. Lansbury, as his deputy within. Lloyd George still needed a six weeks' sea voyage to complete his convalescence, but planned to sit in Opposition after the beginning of the year. On Nov. 4 he resigned the leadership of the Liberal party, which had abandoned him. During the election and after, he and Henderson conducted negotiations for his adherence and that of his family group to the Labor party, but Labor has always been loath to take in men at the top, and no bargain was announced.

The great problem concerned the Liberals on the government side. Sir John Simon was the accepted leader of the 35 whose tariff sentiments made them congenial to, indeed almost indistinguishable from, the Conservatives. Sir Herbert Samuel led the other 33, whose conversion to tariffs was slight and partial. Lloyd George had dropped out of sight in the cleft which had divided his old party. Members took the oath on Nov. 3 and the session was to open on Nov. 10.

The local government elections, which were held on Nov. 2, underlined the results of the general election and continued the defeat of Labor in the municipalities which began a year ago. The Conservatives gained 144 places, Independents 36 and Liberals 21, while Labor lost 201.

THE NEW CABINET

Mr. MacDonald, after a week's consideration of a new Cabinet, announced on Nov. 5 a new combination which was described as having a protectionist tinge without being violently "high tariff" in color. This new Cabinet, which contained the customary twenty members, was constituted

from the three party groups as follows:

National Laborites (4).

RAMSAY MACDONALD—Prime Minister and First Lord of the Treasury.
LORD SANKEY—Lord Chancellor.
PHILIP SNOWDEN—Lord Privy Seal.
J. H. THOMAS—Secretary for the Dominions.

Conservatives (11).

STANLEY BALDWIN—Lord President of the Council.
NEVILLE CHAMBERLAIN—Chancellor of the Exchequer.
SIR PHILIP CUNLIFFE-LISTER—Secretary for the Colonies.
LORD HAILSHAM—Secretary for War.
SIR SAMUEL HOARE—Secretary for India.
LORD LONDONDERRY—Secretary for Air.
SIR BOLTON EYRES-MONSELL—First Lord of the Admiralty.
SIR HILTON YOUNG—Minister of Health.
SIR JOHN GILMOUR—Minister of Agriculture and Fisheries.
SIR HENRY BETTERTON—Minister of Labor.
WILLIAM ORMSBY-GORE—First Commissioner of Works.

National Liberals (5).

SIR HERBERT SAMUEL—Home Secretary.
SIR JOHN SIMON—Foreign Secretary.
SIR ARCHIBALD SINCLAIR—Secretary for Scotland.
WALTER RUNCIMAN—President of the Board of Trade.
SIR DONALD MACLEAN—President of the Board of Education.

The most surprising appointment was that of Sir John Simon to succeed Lord Reading as Foreign Secretary. The high-tariff Conservatives gained a key position in the choice of Neville Chamberlain as Chancellor of the Exchequer, though this was in part counterbalanced by putting the Board of Trade under Walter Runciman, a Liberal shipowner and financier. Although the Conservatives have an overwhelming majority in the House of Commons, the Cabinet for the time being at least contains a large non-Conservative element. It is also interesting to note that no positions were found in the Cabinet for Sir Austen Chamberlain or for such leading Tory extremists as Winston Churchill and L. S. Amery.

More than forty appointments of

Ministers without Cabinet rank had still to be announced.

BRITISH ECONOMIC CONDITIONS

The British trade balance was adverse during 1931 by about £30,000,000 a month up to the end of September. During October, however, a considerable revival followed the passing of the pound, although its extent and permanence were recognized to be somewhat dependent on the amount of depreciation of the pound, the exhaustion of existing stores of foreign raw materials and the continuance of what appeared to be the Bank of England's policy to cut down the amount of paper currency in relation to gold reserve.

The cotton industry raised its index of production from 50 to 73 between Sept. 21 and Oct. 30. The Chinese boycott on Japanese textiles played its part in this rise. The wool and artificial silk industries were also stimulated by protection of domestic markets against Continental European competition and greater price strength in export markets. These industries, however, imported their raw materials. Greater interest, therefore, attached to revivals in coal, iron and shipping. British coal began to supplant Polish in Scandinavia and British steel to win wider markets in Canada, notably where the dumping duty did not apply to those steel products not manufactured in Canada and hitherto supplied from the United States. Belgian competition in the steel industry was also being met.

The revival was reflected in the statistics of unemployment. The high point for all time was 2,825,772 for the week ending Sept. 28. The total fell steadily during the next four weeks to 2,727,943, a decline of 3.5 per cent. The total was still 488,591 above last year and the rate of the last week's decline was smaller than in previous weeks.

As has been pointed out, the pound weakened badly during October and early November, but there was gen-

eral approval of Sir Robert Horne's assertion on Oct. 28 that "we should not be precipitate in stabilizing the pound." He anticipated "very great pressure" from France and the United States for speed in doing so, but thought Great Britain must await the revelation of a long trend in external trade and of the accompanying level in the pound.

Certainly October and early November provided distorted values. These depended on two forces. There was a rush to obtain stocks of certain imported goods (manufactured and raw materials) before the anticipated tariff. This meant added sales of British currency to those attendant on the usual Autumn purchases of wheat. In addition, the Bank of England paid back 40 per cent (\$100,000,000) of its Aug. 1 credits on Nov. 1. This entailed the export of \$75,000,000 in gold and the purchase of \$25,000,000 in foreign currencies. The transaction was effected by sending all the gold to France while Paris released \$25,000,000 in gold from earmark in the Federal Reserve Bank of New York, a neat example of the economies possible under present international financial machinery.

The outstanding foreign credits still amount to \$550,000,000, but the gold reserve (approximately \$610,000,000) still more than covered them and the Bank of England seemed to be resolved both to reduce them at every opportunity and to set its face against inflation of the currency.

THE IRISH PUBLIC SAFETY BILL

President Cosgrave's Government was successful on Oct. 14 in securing leave to introduce its public safety bill and rush it through the Dail by use of the closure on Oct. 16, so that with no opposition in the Senate it came into effect on Oct. 17. Its arbitrary character caused a good deal of public apprehension and local government bodies feared difficulties in their share of enforcing it. Members of the extreme republican minority

tried to check its passage by intimidation of Dail members.

The act was designed to check the terrorism of the minorities by setting up military tribunals with wide powers to try charges of treason and felony and offenses under the juries protection act and firearms act, as well as seditious libel and cases in which persons are charged with impeding the machinery of government or the administration of justice. Membership in the Irish Republican Army, the Women's League, Free Ireland (Communist) and nine other organizations was made an offense on Oct. 20. In effect Mr. Cosgrave asked that the Dail concede the powers of martial law to the Executive to deal with what he described as a dangerous situation. Efforts were made by him and by other government supporters to demonstrate a connection between Irish unrest and Communist conspiracy. The Catholic hierarchy supported the government in a pastoral of Oct. 18.

The bill was opposed by the Labor party, which expelled two of its leading members for supporting the measure. The explanation given was that Labor was bidding for the agricultural laborers' support and that, while the Communists had hitherto made greatest progress among this class, the prohibition of Communist organization would now make them willing recruits to the Labor party because of its opposition to the bill.

The public was very uneasy, but the government refrained from any drastic action. President Cosgrave issued several grave warnings, the police uncovered some caches of arms and munitions, the offices of the revolutionary paper *An Phoblacht* were raided, and the employes of the Soviet oil corporation were detained, searched and questioned.

CANADIAN OPTIMISM

The recent stages of the economic depression have had the paradoxical

effect of evoking widespread expressions of confidence in Canada. Mr. Bennett, the Prime Minister, in the course of a visit to the United States, asked why Canada should not lead the way for the world back to better economic conditions, and repeated the question at Montreal on Oct. 14. His government, under its almost dictatorial powers, went ahead with notable assurance to fulfill its promise that no Canadian should go hungry, by promoting employment and relief schemes for the Winter which it was anticipated would cost the Dominion \$50,000,000 and the Provinces large amounts as well.

Two factors of an encouraging nature seemed to underlie this confidence. In the first place Canadian wheat exports have been so sustained that, in the light of the small Spring wheat crop, the country was almost certain to cut down its carry-over to average proportions. The rise in prices after the middle of October carried Winnipeg December futures to 70 $\frac{5}{8}$ cents on Nov. 4 from an earlier low level very close to 50 cents. In the second place, the sweeping victory of the British Conservatives on Oct. 27 revived Canadian Conservatives' hopes that Mr. Bennett's proposals at the Imperial Conference of 1930 for imperial preferential tariffs might be brought into effect.

On Oct. 19, an order in council prohibited the export of gold from Canada except by a chartered bank under license from the government. The occasion was the continued 10 per cent depreciation of the Canadian dollar in the United States. Domestic gold coverage remained above 50 per cent, and Mr. Bennett made it clear that promises to pay in gold or United States currency would be honored. Yet Dominion and Provincial loans amounting to about \$100,000,000 were to fall due in the United States by March, 1932, and the existing gold reserve was about \$75,000,000. Thus, although the Canadian

dollar and the pound sterling were not related, the Canadian situation had some analogies with the British.

There were, however, some obvious favorable circumstances. Canadian gold production, all of which remained in the country, amounted to about \$60,000,000 per annum and was rising steadily. There was every indication that domestic loans could meet domestic obligations. The balance of trade had become so substantially favorable that the unfavorable balance of the earlier part of the year was being steadily wiped out, notably in trade with the United States. Finally, sentiment in New York remained favorable to Canadian loan flotations.

The decline in the Canadian dollar continued to have its effect on trade. It heightened the already high tariff against the United States, more notable in manufactured goods than in raw materials. Serious protests followed the erection of mathematically exact anti-dumping provisions against Great Britain. She already enjoyed an obvious advantage over the United States, but it was arranged that the pound should be valued in Canadian dollars every two weeks for invoice purposes. The rate of \$4.37 established on Oct. 31 represented a great difference from the earlier maintenance of its par value.

The 1931 election campaign against New Zealand butter and the failure since then to negotiate a trade treaty were reflected quite seriously for Canada when, on Oct. 23, the New Zealand Newspaper Proprietors' Association recommended that two-thirds of its newsprint for the next year be purchased in Great Britain. Canada sent New Zealand \$1,264,219 worth of newsprint in 1930. Some progress had been made in negotiating a trade treaty with South Africa, but the summoning of the postponed Imperial Economic Conference at Ottawa seemed desirable in order to create the combination of domestic protec-

tion and imperial preferences so dear to Mr. Bennett's heart.

The Dominion Bureau of Statistics published in October its most recent estimates of Canadian wealth. It set the total at \$6,000,000,000, of which less than 20 per cent was owned abroad. Of formal capital investment 65 per cent was owned in Canada, 20 per cent in the United States, and 13 per cent in Great Britain. Canada had \$1,750,000,000 invested in other countries. Of foreign establishments in Canada, the United States held 68 per cent of the invested capital and Great Britain 14 per cent.

AUSTRALIAN EVENTS

Mr. Scullin, the Australian Prime Minister, announced on Oct. 12 that after Christmas a national referendum would be held by his government asking for power to unify what is now a federal Australia, with complete sovereign powers for the Central Parliament and delegation of authority only in local matters to provincial councils. In addition, the people would be asked to approve the power of the Central Parliament to amend the constitution. While these proposals served some tactical ends in Australian domestic politics, they were also a reflection of the difficulties of federal disunity during the past year.

A seamen's strike, which began in Sydney about Oct. 16, had by the end of the month assumed sufficient importance to draw in the federal government. The seamen's unions are naturally usually in the hands of the unemployed and the dock district population can be hard to handle. Between Oct. 14 and Oct. 30, the unions at Sydney succeeded to an embarrassing degree in tying up local coastal and island sailings. The owners were flooded with appeals from volunteers, but acceptance of their services would have been sure to cause a conflict with the union seamen. In these circumstances Mr. Scullin called

a compulsory arbitration conference for Oct. 31.

REBELLION IN CYPRUS

On Oct. 22 an attack on the Governor's palace signalized the reality of a rebellion against British rule in Cyprus. The island was secured from Turkey in 1878 as the price of British assistance against Russia at the Congress of Berlin, and it was designed to serve as a protective outpost for the Suez Canal and for other British interests in the Levant. During the war of 1914-18 it was offered to King Constantine of Greece as a consideration for his active alliance, but later, because of its proximity to Syria, Great Britain promised France not to make any change in its status without consulting her.

The professed aim of the rebels was to join the Greek State. The church was so deeply involved in the agitation that Archbishop Kitiou was subsequently deported to Malta, along with five native Deputies. The basic troubles were economic, and local politicians turned to violence when their resistance in the Legislative Council to increased taxation and reorganization of the tariff was overruled by a British order-in-council.

Repression was effected by means of a naval concentration and by the dispatch of riflemen from Egypt in airplane troop carriers. Few casualties were sustained by either side. The Greek Government behaved with formal correctness throughout the incident, but Greek popular sympathy was roused. Order was restored and maintained by force, a relatively simple matter in dealing with a population of about 300,000.

INDIAN AFFAIRS

Reports have now been received of Indian response to the linking of the rupee to sterling instead of to gold on Sept. 21. There was very grave resentment against Sir Samuel Hoare's unheralded announcement in London and against so fundamental

a change being made without even the appearance of consulting India. An effort was made on Sept. 22 to discuss the matter in the Indian Legislative Assembly, but it was vetoed by the Viceroy as premature. On Sept. 24 Sir George Schuster, finance member of the government, made the official explanation. Great Britain would live up to her June promise to support Indian governmental loans and would support the rupee along with sterling. Sales of sterling and gold could be made only with governmental approval and only for the normal needs of trade. The government would support the Indian banks, and he reminded the Assembly that it possessed a reserve of 127 crores of silver rupees, against a note issue of 148 crores.

Inasmuch, however, as there was no embargo on gold exports, there was continued apprehension of British raids on Indian reserves. A vote of censure on the government's financial policy passed in the Assembly on Sept. 27 by 64 to 40, and in the same mood the Assembly accepted the economies of the budget of Sept. 29, but was bitterly critical of the 25 per cent increase in taxation, particularly the salt tax.

The Round Table Conference in London was seriously hampered in its work by the continued communal deadlock and by the natural preoccupation of the British delegates with an exciting general election. In spite of this, some progress was made. On Oct. 9 the finance subcommittee of the Federal Structure Committee was able to make a unanimous, if somewhat tentative, report. It was admitted that new taxation was necessary to enable a dominion of India to balance its budget, but the chief problem was the protection of the native States from financial discrimination at the hands of former British India. On Oct. 22 it was announced that agreement had been reached on all points except the financial relations of the two parts of India and the classification of the Indian debt.

Lord Sankey's Federal Structure Committee issued on Oct. 31 a draft of the Federal Constitution which was forecast at the last Round Table Conference and which bore such striking resemblance to the Constitution of the United States. It provided for an upper house of 200 members to be chosen by provincial and native States' Legislatures in proportion to relative populations. Of these members approximately 40 per cent would represent the States. The plan of allowing the Viceroy to nominate some members to provide representation for minority and neutral opinion was abandoned. Instead, he might make a small number of such nominations on the advice of his Ministers—a very different thing.

The lower house was to consist of 300 members chosen by direct popular vote, one-third of them representing the States. This involved for the remainder the creation of approximately equal constituencies, averaging 4,000 square miles in area and from 1,000,000 to 1,250,000 in population. Provision for a Supreme Court was made on Nov. 3. It was designed to serve as a court of final appeal, for the maintenance of the federal pact and for the interpretation of the Constitution.

Yet all these achievements depended for their fruition on a solution of the communal problem. Unofficial, but substantial reports credited Gandhi with having acceded to almost all the Moslem demands. The Moslems, however, were held back by fears of the less generous "mandate" which Gandhi had from the Congress party and they made progress impossible by siding with the members of the half-dozen lesser minorities in their demands for protection. Gandhi became impatient, particularly with the depressed classes, the Sikhs and the Mahasabhas (Orthodox Hindus). Indeed he seemed prepared to ignore them, and on Oct. 20 he announced that he had reserved a sailing for Bombay in mid-November.

Sir Geoffrey Corbett had suggested on Oct. 14 that a way out would be to alter the boundaries of the Punjab by transferring Ambala to the United Provinces. This would give the Moslems 62 per cent of the remaining population, while the Hindus and Sikhs would come under the advantages of the very joint electorates which the Hindus have been pressing on the Moslems.

It was an odd circumstance that the principal objects of Congress's dislike, the reservations for measures of British control in defense and finance, were given little or no airing in public. This gave weight to the argument that the recent public disagreements over the communal problem were cover for disagreement on the basic nature of Indian autonomy. Congress's opinion in India was frank in declaring that Great Britain was making a convenience of the minority problems to scuttle the conference and even that the Moslems had entered upon a working alliance with the British Conservatives to defeat Indian self-government. Certainly the meager news of the informal Hindu-Moslem conversations gave the impression of Hindu elasticity and Moslem intransigence. The Pandit Malaviya (Hindu) on Oct. 25 went so far as to announce his willingness to submit the minorities problem to three non-Indian arbitrators.

Following the election there was some quickening, but its results were not apparent at the beginning of November.

A trial balloon for a new brand of legitimism was sent up from Nice on Oct. 29 in the proposal to set up Abdul Medjid as Caliph in Jerusalem. The scheme had some support from Indian Moslems, but it would have to run the gauntlet of existing British embarrassments in Palestine, Turkish objections to the revival of an institution abolished under Kemal Pasha, and Egyptian desires to have any revived Caliphate seated in Egypt.

The French Premier's New Tasks

M. LAVAL left Paris for New York on Oct. 16, and three weeks later, on Nov. 2, he was fighting his way out of the Gare St. Lazare in Paris literally mobbed by an admiring and vociferous crowd who acclaimed him like a returning conqueror. He had spent five days in the United States—three and a half in Washington, one and a half in New York.

There can be no doubt that his trip was, in many ways, a success. From the American standpoint it is certain that his frank, genial and democratic manner won him the friendship of all those he met, newspaper men as well as government officials. From the French angle his success was all the more marked as the value of the Washington visit had been more questioned. The nationalistic section of the press, fearing that he might yield to some mysterious American pressure and surrender valuable French rights, had cautioned him to say "No" to practically every suggestion. The other spokesmen of public opinion seemed skeptical about any tangible results being attained.

However, the first speech that M. Laval delivered at the New York City Hall on Oct. 22 dissipated all fears. His firm and tactful restatement of the French position on security, his strong denial of any French imperialistic designs met the approval of practically the entire French press.

While there were some misgivings when the joint statement of the two conferees (printed on page 421 of this magazine) was published at the end of the meeting and its vagueness was noted, the French public were nevertheless elated both at the implied recognition of the Young Plan as the basis of all settlements and at the compliment paid to France and to her

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paramount position in Europe which this visit emphasized. The heartburnings of the Washington conference of

1922, when France was treated as a second-rate power; the unintentional slight of President Hoover of June 20 when he launched, without warning, his moratorium proposal, seemed forgotten. The correspondents whom M. Laval had conquered on the way over and the editorial writers in Paris were unanimous in giving him credit for having served his country well at the same time as he increased his own prestige as a negotiator and a statesman.

It remains for this popularity to stand the test of Parliament when it will be called upon to translate into acts the Washington conversations and when M. Laval will have to give concrete form to what so far have been only expressions of good-will and pious hopes for the recovery of the world.

Three busy months are now ahead of the French Premier, full of perplexing problems and Parliamentary skirmishes. The budget of 1932 will have to be disposed of before the great electoral consultation of May, when the whole Chamber of Deputies must be renewed. Another pressing subject will be the unemployment problem, which, without being so far as serious as in other countries, nevertheless needs attention. According to the best statistics available, there are 300,000 French laborers and "white-collar" employes out of regular work. Of these a large number have found part-time employment and others have returned to their native villages.

To meet the situation Parliament will be asked to vote at once the second half of the so-called national equipment plan, involving an expendi-

ture of about \$12,000,000. This plan, launched by Tardieu, provides for agricultural projects on a large scale, the building of new schoolhouses and hospitals, and the undertaking of such public works as the electrification of country districts and hydraulic development, and will be financed by an internal loan. Parliament has already approved that part of the plan concerning work on roads, sea and river ports and the better ordering of departmental and township finances. Execution of that program is still occupying a great number of workers, and its intensification will employ even more. Finance Minister Flandin made it clear that this new plan concerned public works which can be rapidly assigned, and that they would be initiated only to help French workers.

French industrial life has continued to show the same slow contraction which marked it throughout the year. In the indices for September, with the exception of the building trades, most production figures were below those for 1927, which was the year of the crisis in France. The building trade is now 50 per cent above the 1927 figure.

Business appears to realize that as France entered the boom late she is entering the depression after all other countries. It is noticeable that the lines of trade which have been chiefly hit are those dealing with luxuries, miscellaneous Paris goods known as *articles de Paris*, and textiles. The heavy industries are suffering less. On the other hand, receipts of the railways have been consistently falling below the corresponding periods in 1930.

The high import surplus which has been the continued characteristic of the French balance of trade attained, for the nine completed months, the sum of 9,969,000,000 francs (nearly \$399,000,000), with September the worst period. While imports of raw materials and manufactured articles decreased, foodstuffs increased by

\$2,782,000. Of exports there was a decrease in foodstuffs, raw materials and manufactured goods. Measured by weight, the heaviest decrease of imports was in raw materials. The largest decrease of exports was in foodstuffs. Fiscal receipts, which for September showed a slight increase of 203,000,000 francs compared with the same month last year, showed, however, for the six-month period a decrease of 512,000,000 francs over last year. The largest part of the decrease was in collection from direct taxes.

The Bank of France's gold reserve has continued to increase, the report, as of Oct. 23, showing a total of \$2,560,000,000. It is believed, however, that this marks the height of gold flow. As France's gold holdings have mounted, so also has her note circulation. When Poincaré halted the downward career of the franc in 1926 there were 55,000,000,000 francs in circulation. Now there are 81,500,000,000.

France is almost the only country in Europe where the cost of living has not come down. Whenever there has been an indication that with the fall of world prices the cost of living would be reduced, protective measures have been taken. For instance, the protection given to the French farmer has made the price of wheat in France six times that outside.

FRENCH DEPARTMENTAL ELECTIONS

France has had a preliminary election which might be considered as an advance test of public sentiment before the general elections of 1932. This election, which took place on Oct. 18 and 25, was for the renewal of half of the departmental assemblies. The assemblies, known as *conseils d'arrondissement* or district assemblies, and *conseils généraux* or departmental assemblies, deal exclusively with the financial and administrative interests of the cantons, the districts and the departments. The members are elected for six years but the membership is

renewed by half every three years; 1,517 representatives to the departmental assemblies and about 1,800 representatives to the district assemblies were up for re-election, the canton being the electoral unit.

Considering the rather limited competence of these assemblies, it does not seem that the elections should, any more than municipal elections, have much political importance or create any party divisions. The reason they do, however, lies in the fact that the members of these assemblies, municipal, district and departmental, constitute, with the Deputies, the electoral body of the Senate. Hence their political complexion has some importance, although it does not seem that political considerations are necessarily the only factors in the elections.

As a whole, it appears that the Left parties have every reason to be satisfied with the results. The Radical-Socialists made many substantial gains over both the Republic-Democratic union, the Marin Nationalist group, and even over the Socialists, which has happened rarely of late in legislative elections. While Léon Blum, the Socialist leader, failed of election in the department of Aude, all the more prominent Radical-Socialist leaders, such as Herriot, Caillaux, Malvy and Steeg, and many Socialists were returned on the first ballot. As for the Communists and the extreme Nationalists, they obviously had no influence in these local contests, where parochial issues and personalities loom much larger than party politics. The fact that stands out is that the French electorate remains very stable and solidly republican with a decided leaning toward the Left parties.

M. Poincaré, who had seen the highest ambition of his life gratified when he was elected last Spring *Bâtonnier*, or head, of the Paris Bar, has, on advice of his physicians, resigned the position he had so gratefully accepted. It was felt that, in view of his indiscreet love of hard work, he would endanger his health in the

exercise of his duties. However, he has resumed his literary labors and continues his contributions on international politics to the French and foreign press.

The trip of Minister of Colonies Raynaud to the French possessions in the Far East has been carried out with the greatest success. After visiting the Dutch Indies, where he was officially received and fêted, he undertook a detailed and elaborate inspection of Indo-China, familiarizing himself with all the economic and political problems that beset this colony, listening with patience to the complaints or grievances of natives and colonists alike.

BELGIAN LANGUAGE DISPUTE

At a meeting held in Brussels on Oct. 15 by the Liberal groups of Belgium the vexing linguistic question came up again and new decisions were announced modifying the Liberal platform. Instead of demanding from the Renkin Cabinet and the Flemish party, as previously planned, the passage of a bill making the thorough study of French compulsory in all secondary education, the Liberals decided to accept the principle of territoriality of languages—French in the Walloon provinces, Flemish in Flanders. The study of the second national language will be, therefore, elective in both sections, thus eliminating what is considered the undesirable introduction of compulsory Flemish in the French part of the country. The government decided to defend before the Senate the motion of the commission which embodies this provision. This concession on the part of the Liberals, who were the last to resist the evolution of ideas in the matter of language, seems a serious one. Henceforth the moral and cultural scission between the two ethnic groups of Belgium seems unavoidable.

Two events emphasized the growing importance of this division. A convention composed of the delegates of all

the French-speaking districts met at Liège on Oct. 18 to discuss and draft a project of a federal constitution which would divide Belgium into two autonomous regions, limited by the linguistic frontier, while the federal government, established in Greater Brussels, would have charge of foreign policies, the army and the customs. The federal administration would have a French and a Flemish branch. This project was unanimously approved, with the exception of a few abstentions. It may come up for discussion in Parliament. It is symptomatic of the trend of a portion of public opinion in post-war Belgium. Likewise the opening of the Catholic University of Louvain witnessed a violent outbreak between Flemish and Walloon students. When Mgr. Ladeuze, the rector, spoke in French after the Flemish address of the vice rector, Cruysberghs, the Flemish students started singing the Flemish anthem. The Walloons protested and a fight occurred in the presence of the authorities and the audience, while the

police had to be called to quell the riot.

THE ECONOMIC SITUATION IN BELGIUM

The economic situation continues to be a disturbing element in Belgian life. Its gravity is illustrated by another decision taken by the Liberal party on the question of free trade at the meeting to which reference has been made. Reversing their traditional attitude, they acknowledged that, in view of the economic situation, exceptional measures of protection for agriculture should be taken. The government, on the other hand, devoted a long meeting on Oct. 21 to the various propositions suggested to meet the ever-growing unemployment crisis. The Minister of Labor stated that there were 75,000 unemployed and 120,000 who work only part of the time. To relieve the agricultural situation, which is likewise serious, Minister of Agriculture Van Dievoet has been authorized to present a bill empowering judges to reduce farm rents.

Germany's New Economic Advisory Board

PRESIDENT VON HINDENBURG has again shown his vigor and wisdom in proposing the creation of an Economic Advisory Board to give advice and assistance to himself and the Cabinet in solving Germany's financial and economic problems. He himself took the chairmanship at its first meeting on Oct. 29, and will presumably play an active part in its work. With him on the board are twenty-four leading representatives of industry, trade, finance and labor. Among them are included Dr. Wilhelm Cuno, former Chancellor and now the chairman of the board of

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directors of the Hamburg-American Line; Ernst von Borsig, Hermann Schmitz and Albert Voegler, heads, respectively, of the Borsig Works, the dye trust and the United Steel Works; Paul Silverberg, coal industrialist; Friedrich Reinhart, director of the Commerz und Privat Bank, and a number of leaders of the laboring classes.

The board is to form a kind of non-political round-table conference for the exploration of Germany's economic problems. It will also bring together employers and employes for united action, instead of allowing

them to quarrel over wages, hours and social legislation. It may discuss Dr. Hermann Schmitz's plan for the conversion of international short-term debts into long-time time loans. His plan, which is somewhat similar to that advocated by Emile Francqui, the Belgian financier, is substantially as follows:

The Bank of International Settlements at Basle would issue gold bonds to the short-term debtor nations for their obligations, and the recipients would use the bonds to pay off short-term debts or as a gold substitute to increase the currency in circulation and the credit volume of the central banks. The obligations which the central banks would issue for the individual debtors would bear 4 per cent interest and 1 or 2 per cent amortization charges. The maximum period for amortization would be forty-one years.

This Schmitz plan would have the double advantage of avoiding difficulties of transfers of currency, which precipitated the recent monetary crisis, and of relieving the world of the present gold shortage. An issue of \$1,200,000,000 worth of gold bonds would be sufficient. The interest on the obligations, about \$50,000,000, would be used as a reserve fund for the World Bank. If objections are raised against the inflation of gold reserves by the creation of gold bonds, Dr. Schmitz proposes that the World Bank obtain gold bullion loans at 2 per cent interest from countries which have a surplus. The World Bank would then issue gold bonds and gold notes based on bullion. He believes his plan would attract nations with gold surpluses, because they would receive interest on their now idle gold supplies, and the restoration of confidence would prevent further gold withdrawals by the public, thus safeguarding the gold standard.

The new Economic Advisory Board in some respects is analogous to the National Economic Council (*Reichswirtschaftsrat*), which was established in 1919 as one of the novel features

of the present German Constitution.

The National Economic Council of 1919, however, has not fulfilled the hopes that were placed in it. It has remained a rather dormant, or even moribund body. Various reasons have been offered in explanation, for instance, that a body of 326 members is too large a group for technical discussion; that the delegates have not been really men of outstanding ability, and have not enjoyed the complete confidence of the subordinate functional councils by which they were selected; that it has been difficult to reconcile the interests of capital and labor; and that it is difficult to set up a sort of rival chamber to the regular political legislature, since the more important body tends to absorb the activities of the less important and merely advisory body. If President von Hindenburg's new board functions actively it will inevitably cause the older Federal Economic Council to become even more of a dead letter in the Constitution than at present.

PROGRESS OF THE HITLER MOVEMENT

Adolf Hitler and his National Socialists continued to hold the centre of the political stage in Germany during the early Fall. On Oct. 11 his "Nazis" and Alfred Hugenberg's Nationalists held a demonstration with fiery speeches at Bad Harzburg. With others present were two of the former Kaiser's sons, Prince Eitel Friedrich and Prince August Wilhelm. Among the speakers who attracted most attention was Dr. Hjalmar Schacht, former head of the Reichsbank, who declared that Germany's financial position was much more unfavorable than had been made public. The meeting adopted an innocuous resolution demanding the resignation of Chancellor Bruening and of Herr Braun, the head of the Prussian Cabinet, and new elections to the Reichstag and the Prussian Diet. On the preceding day Hitler had an hour's conversation with President von Hinden-

burg, unfolding his chimerical plans for the "Third Reich."

At the session of the Reichstag on Oct. 16, when the Hitlerites and other Opposition parties tried to carry a no-confidence vote against the newly-formed second Bruening Cabinet, they were decisively beaten by a vote of 295 to 270. The Social Democrats saved the day for the Chancellor by throwing their 140 votes in his favor, while the rest of his majority came from his own Centrist Party and from several smaller moderate groups which follow the Centrist lead.

After their defeat the "Nazis" and the Nationalists again walked out of the Chamber, as they had done on a previous occasion. The Reichstag then voted to adjourn until Feb. 23, thus allowing Bruening and his new Cabinet to develop their program of financial and economic reform unhampered by Parliament. It gives again to Chancellor Bruening a virtual dictatorship in cooperation with President von Hindenburg.

The new Bruening Cabinet, formed after the resignation of Foreign Minister Curtius, is a coalition made up as follows:

Dr. HEINRICH BRUENING (Centrist)—Chancellor and Foreign Minister.
General WILHELM GROENER (Non-party)—Defense and Interior.
Professor HERMANN WARMBOLD (Non-party)—Economy.
Dr. HERMANN DIETRICH (Democratic)—Finance.
Dr. ADAM STEGERWALD (Centrist)—Labor.
Dr. GEORGE SCHAETZEL (Bavarian People's Party)—Communications.
Dr. GOTTFRIED TREVRANUS (Conservative People's Party)—Transportation.
Dr. CURT JOEL (Non-party)—Justice.
Dr. MARTIN SCHIELE (Nationalist)—Food and Agriculture.

To counterbalance the defeat of his party in the Reichstag, Hitler held on Oct. 18 another great field day of the National Socialists, this time at Brunswick. It was reported that 30,000 Hitlerites were in attendance. As usual, the occasion was accompanied by a number of street fights and broken heads, but the energetic attitude of the police, backed by General Groener, the Minister of Defense, prevented

the meeting from getting badly out of hand.

To his admiring followers Hitler declared: "The great hour when the disgrace of 1918 will be wiped out will surely come. Behind us today stand more than 12,000,000 Germans, convinced that a solution of the German question can come only through the power of our united front."

Hitler's further prediction, that "if Reichstag elections were held now, we [National Socialists] would capture 200 seats," instead of their present 107 seats, is not to be taken lightly in view of the results of recent local elections. In the communal elections in Dessau on Oct. 25 the Hitlerites made very large gains. In Schwerin on Nov. 2 they won seven seats in the local administration, where they did not have a single member at the last election in 1928.

GERMANY DISAPPOINTED BY HOOVER-LAVAL PARLEY

In spite of Chancellor Bruening's friendly and optimistic comments, the Hoover-Laval conversations in Washington were a severe disappointment to Germany. Germans had hoped that the conversations might result in the calling of a general international conference to revise the whole question of reparations and allied debts. Unofficial press surmises from Paris had forecast that Premier Laval might propose a general 50 per cent cut in reparations and allied debts.

But President Hoover failed to rise to the opportunity. Though he had made an admirable move last June in proposing the year's moratorium on debts and reparations, he failed in the conversations with Laval, at least so far as we know from the official communiqués, to take the second logical step of initiating a conference to settle what is to happen when the moratorium expires. Instead, he agreed that any initiative in the matter belongs to Europe, and primarily to France and Germany. The Young

Plan is not to be scrapped, but any financial revision is to be within the framework of this plan, although bankers and economists are now pretty generally agreed that its provisions cannot be carried out during the next half-century.

In spite of Paris press rumors that France may call a general conference on reparations and debts, perhaps at Biarritz in December, this is hardly likely. With her huge store of gold, and with the political power that this puts in her hands, France is tolerably well satisfied with the situation for the moment. Therefore, if a move is made, it is likely that it will have to be made by Germany.

German opinion is divided as to what ought to be done. Some writers urge that Germany should at once take the initiative in asking for a general conference of experts to revise the reparations and debts questions and get the matter settled and out of the way in plenty of time before the expiration of the moratorium next June. Others urge, and probably with greater wisdom and insight, that the time is not yet ripe for this; that such a German plea will injure Germany's credit and political standing; and—what is most serious—a conference at present would only result in a moderate revision of the Young Plan and not in that more radical scaling-down of reparations which must ultimately take place. In other words, to have the Young Plan tinkered with now would be to make the same mistake which Germany made in accepting the Young Plan in place of the Dawes Plan in 1929—the accepting of a small immediate reduction in reparations instead of waiting until it became clear to Germany's creditors that a really large reduction must be made. According to this view, it would be better for Germany to postpone trying to secure a radical settlement of the reparations questions immediately; if she cannot begin to pay reparations again at the full amount when the moratorium ex-

pires, she can always resort to the two-year moratorium provisions contained in the Young Plan itself.

The immediate and pressing question for Germany to get settled is the matter of the short-term credits, which were "frozen" by the Basle agreement of last Summer, but which will soon be pressed for payment. Some of these short-time credits have already been paid off, but the remainder ought to be converted into long-time loans. Various ways have been suggested for doing this, and they will doubtless form part of the discussions between Premier Laval and Ambassador von Hoesch. One way is the Schmitz plan, already mentioned.

The visit of Signor Grandi, the Italian Foreign Minister, to Berlin on Oct. 26 lacked the dramatic interest which had characterized the visit of Premier Laval to the German capital a few weeks earlier. It was also somewhat overshadowed in importance, as far as the rest of the world was concerned, by the simultaneous conversations which Laval was carrying on with President Hoover in Washington. But Grandi and Brueining had a harmonious exchange of views, as the interests of their two countries in regard to reparations, debts, tariffs and disarmament run along closely parallel lines. It is the German hope that when Signor Grandi visits Washington a little later he will be able to present vigorously to President Hoover and Secretary Stimson the views of Germany as well as of Mussolini's Government.

AUSTRIAN PRESIDENTIAL ELECTION

It was announced on Oct. 7 that the expensive method of choosing a new Federal President by a national vote, which the recent revision of the Constitution established, would be abandoned for the forthcoming elections. A simpler system of election by a Parliamentary vote, as under the old Constitution, will be resorted to.

It is expected that President Miklas will be re-elected for a period of four years.

Chancellor Buresch retained the portfolio of finance upon the resignation of Professor Redlich, who had conferred upon him the Order of Merit for his services to the republic.

On Oct. 19 the government dismissed twenty-five out of twenty-eight directors of the Creditanstalt, Austria's largest bank. Its liabilities had been guaranteed by the government five months earlier when it was furnished with \$21,000,000 of new capital. Chancellor Buresch, explaining the action, said it was made necessary by the fact that it had been impossible to obtain the consent of the directors to the drastic cuts in their salaries which the bank's position demanded.

At the same time the Bank of

France, at the request of the French Government, placed \$8,500,000 in paper at the disposal of the Austrian National Bank to increase the coverage of the Austrian bank note issue. The Bank of England also agreed to extend the period for the repayment of the \$14,000,000 balance of its advance of \$21,000,000 to Austria until Jan. 16, while the Bank for International Settlements has renewed its rediscount credit of \$13,000,000. It is hoped that this financial assistance will restore confidence in the Austrian schilling and permit the relaxation of the currency regulations, which were causing a shortage of goods and a rise of prices.

Arthur Schnitzler, Austria's leading dramatist and novelist, died on Oct. 21 at the age of 69. He had been prominent in Vienna as a physician as well as a writer.

Separation of Church and State in Spain

THE transformation of Spain by the Cortes has been proceeding rapidly during the drafting of the new Constitution. Foremost among the new provisions are the separation of Church and State, the expulsion of the Jesuits, a decree ordering the use of the Castilian language in the schools, the enfranchisement of women and their equality before the law.

The discussion of the status of the Church and the religious orders again brought out the serious difficulties in the way of a satisfactory solution of the problem. At one time discussion in the Cortes led to turbulent scenes and occasional fisticuffs between the deputies. On Oct. 13 matters reached a conclusion when the Cortes by 287 to 41 voted to end the

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age-old union between the Spanish State and the Catholic Church. The article on separation reads: "No official State religion exists." Other articles expelled the Jesuits and forbade teaching by the other religious orders or their engaging in industry and commerce.

Angered by these acts, and in protest against what he regarded as unnecessarily harsh and intolerant measures against the Church, President Zamora resigned on Oct. 14. He had done so once before but upon the appeal of his colleagues he resumed the Presidency after an hour. This time, however, feelings were too strong and fellow-members of the government were not so insistent. Socialists and Radicals stubbornly adhered to their position, and when

Zamora was unwilling to accept their demands, they elected in his stead Manuel Azana. The new President is the leader of the Alianza Republicana and has been Minister of War since the republic was established. Immediately upon assuming office he announced that the Ministry would continue as before, except in the case of Zamora, whose place would be taken by José Giral, a member of Azana's party and his close personal friend. To him was entrusted the Ministry of the Navy.

Zamora's resignation was the more remarkable because he had constantly urged upon the members of the government the need of their remaining in office till the Constitution is finally adopted. Whether he will be as effective out of office as he has been as President remains to be seen. According to his own statement, he will fight not only for "the constitutional formula on religion" but for a bicameral instead of a unicameral system, and for a reduction of the excessive powers of the Executive, which, in his opinion, would be a source of real danger.

His successor, Manuel Azana, is a short, heavy-set man, straightforward in address and of a practical turn of mind, whose strength seems to lie in deeds rather than in words, and whose principal work thus far has been with the army, which he transformed from a political organization into an effective fighting force of about 100,000 men. That he enjoys the confidence of the Cortes was again evidenced when on Oct. 20 he was voted extraordinary dictatorial powers "to protect Spain against the dangers of a religious war, syndicalism and the machinations of certain industrialists who were closing factories without just cause." To insure the maintenance of law and order still further, the Cortes also declared all strikes illegal unless notice be given eight days in advance, and prohibited public meetings unless they have been previously authorized by the govern-

ment. Even though this extension of the powers of the executive may seem necessary under the present unstable conditions, it is regarded by many as a very dangerous experiment. In President Azana's case it is recalled that he is also the head of the army and has the full backing of the Socialists and their trade unions.

Bitter opposition to the policy of the Cortes, particularly in regard to the Church, came from individual Deputies as well as from the approximately fifty members from the Basque and from Navarre, who absented themselves in a body from the Assembly, announcing through their spokesman, Julio Urquijo, that they would never accept this attack upon their religion. "We are going back to our provinces," Urquijo said, "and let the people decide what action they want to take." The Basque civil Governor, Castro, resigned his post in protest. At the Vatican it is felt that the present violent measures represent a transitory phase in the history of the republic and that Spain will soon return to a more moderate policy. On the other hand, noisy demonstrations in favor of the action of the Cortes occurred in many cities, not infrequently staged by Communists singing the Internationale and shouting "Down with the Church" and "Death to the Jesuits." Only the firm hand of the government prevented a recurrence of the violent attacks made against the Church last May.

The drift toward the Left in the Cortes was further indicated on Oct. 16 by a vote of 169 to 153 on a constitutional provision allowing divorce to either husband or wife for "just cause" or upon mutual consent. Added to the article granting the franchise to women, this provision carries feminine emancipation in Spain well along toward completion. On Nov. 3 the Cortes voted to transfer all cases of divorce and the nullification of the marital relations from the ecclesiastical to the civil courts, a

step long advocated by the Cabinet.

Despite the warning of Zamora that he would fight the proposal for a unicameral system, the Cortes on Oct. 27, by a vote of 140 to 83, decided for a single chamber Legislature. "Legislative power," says the article, "resides in the people and will be exercised by a Congress of Deputies." More significant still was the adoption of Article 42 of the Constitution, which declares: "All wealth of the country * * * is subordinated to the interests of the national economy. * * * Property and all lands can be expropriated for public use, with proper indemnity, unless another law approved by an absolute majority of Parliament makes payment unnecessary. * * * The State will intervene in the exploitation and coordination of industries and businesses when rationalization of production and the interests of the national economy dictate." Another article assures to the workers conditions "proper for dignified existence" and legislation which will regulate insurance for unemployment, accident, sickness, old age, invalidity and death. Provision is also made for the participation of workers in the administration and profits of business. Evidently these policies have the support not only of the Cortes but of the nation, for on Oct. 4, in the elections for the twenty-three seats left vacant in the Assembly because of the election of some of the Deputies by two or more of the constituencies, 9 Socialists, 5 Radicals, 2 Federalists, 1 Regionalist and 1 Catalan Republican were elected.

World-wide attention was drawn to Madrid when on Nov. 3 the Cortes decided to include in the new Constitution a statement of Spain's obligations to the League of Nations in the event of an impending war. War may be declared by the President only, if it is unquestionably defensive, and only after the dispute has been submitted to arbitration under the auspices of the League. Spain is the first

nation to refer specifically to the League of Nations in its Constitution.

NINTH BIRTHDAY OF FASCISM

On Oct. 3 the Pope issued an encyclical calling for a "crusade of charity and relief," on the one hand, and denouncing "the unbridled race for armaments," on the other. Armaments, the encyclical declares, cause rivalry among the nations and the withdrawal of numerous sums from the public wealth and are an important cause of "the present extraordinary crisis." More stirring, however, was the speech by Mussolini on Oct. 25 during the celebration of the ninth anniversary of the assembly of Fascisti in Naples preparatory to the March on Rome in 1922.

Addressing a colorful throng of over 100,000, Mussolini not only demanded reduction in armaments but vigorously assailed war debts and reparations, which, coupled with the race in armaments, "bar world recovery." Nor could there be, he said, any talk of European reconstruction unless certain clauses of some of the treaties of peace were modified.

The month of October is intimately associated with the rise of fascism. On Oct. 28, 1922, the Fascist Black Shirts entered Rome and Mussolini became head of the government. The anniversary this year was again celebrated throughout all parts of Italy as a national holiday. At Trieste the occasion was marked by the launching of the new liner Conte di Savoia in the presence of 70,000 people.

Incidental to the preparations for Fascist Week was the advance celebration of the first anniversary of the Giovine Fascisti, an organization planned by Mussolini a year ago to afford an opportunity for active participation in the promotion of fascism to those young men who could not join the purely military bodies like the Fascist militia or the Vanguardisti. The organization already numbers more than 100,000 members, of whom

40,000 marched on Rome in imitation of the march of their elders nine years ago. On Oct. 8 they were formally reviewed by Mussolini before the members of the diplomatic corps. In his message of welcome the Duce urged them "to spread the Fascist faith among their own generation," reminding them that the twentieth century belongs to them because it is the century of fascism.

In the meantime, Mussolini, at a meeting of the party directorate on Oct. 24, announced the abandonment of the rule of seniority whereby special privileges have been attached to length of service. On the following day he further shocked some of the Fascist leaders by a gruff refusal to attend the social festivities organized by the Fascist directorate of

Naples, declaring that "this is not the time for display and the expenditure of money."

Another wage cut was ordered by the central committee of the corporative system which controls Italy's industrial and economic life. The cut is not to be a general or uniform reduction in wages. Industries that are not on a sound basis are not allowed to make cuts. Those that do reduce wages must bring about a simultaneous reduction in other production costs, and the new scale of wages must be the result of agreements between the regular syndical associations, that is, between the particular labor union and the employers' union concerned in the arrangement. Appeal from the decision to the labor courts established several years ago is provided.

Balkan States in New Move for Common Action

THE second annual conference of the Balkan States convened on Oct. 20 in the Presidential palace at Istanbul, with 200 delegates representing six nations. Last year's conference accomplished little besides promoting acquaintance and establishing contacts useful in overcoming initial suspicions. This year's meeting was expected to be more fruitful, if not in solving problems of the first magnitude, at all events in arriving at decisions on a number of more manageable questions. Working in six commissions, each reporting back to the general conference, the delegates were confronted with an agenda covering such matters as the conclusion of a general Balkan pact, unification of laws throughout the Balkans, plans for a customs union, formation of a Balkan chamber of com-

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merce, introduction of a common currency and an agreement on the part of Bulgaria, Greece and Turkey

to limit the production of tobacco.

PROPOSED CENTRAL EUROPEAN CUSTOMS UNION

Early in October Foreign Minister Benes of Czechoslovakia outlined to the Austrian Minister at Prague a tentative plan for a customs union of Czechoslovakia, Austria, Hungary and eventually Yugoslavia, a plan which, it was affirmed, would have the full approval of France, though hardly that of Great Britain, Germany or Italy. The impetus behind the proposal was the steady economic decline of the countries which succeeded the old Dual Monarchy and the conviction that, since all were more prosperous in the old days when they were not

separated by tariff walls, their salvation lies in some sort of customs union. The contemplated grouping would in some respects succeed and in others amplify the Little Entente, of which Dr. Benes was the principal founder. [See the article on Benes on pages 399-403 of this magazine.]

Speaking before the Foreign Committee of Parliament on Oct. 20, M. Benes expressed the opinion that the Little Entente would furnish a good basis for Central European cooperation and was plainly called upon in the present situation to maintain good relations with all its neighbors. "As regards a new plan for Central Europe," he continued, "the Prague Government regards the revival of any old and out-of-date proposal for political or economic Central European unity as impossible. Cooperation must seek new forms adapted to the political and psychological conditions of the post-war period, and must be much more elastic and politically acceptable than hitherto. * * * I must emphasize that without the rest of the Little Entente, or without Austria and Hungary, no Central European scheme can be realized, and also that no such plan can be forced on us or on other Central European States. Neither could such a plan be carried out suddenly or by means of secret diplomatic negotiations." Nothing constructive can be done in Central European matters, it was further asserted, without harmony among Germany, France and Italy.

The outlook for the suggested customs union is not regarded by observers as hopeful. On the one hand, Hungary, which is in desperate straits financially, might well be ready to win financial support from France and free admission to what is already its best grain market—Czechoslovakia—by entering the proposed economic alliance. In Austria, however, where Pan-German sentiment is strong, there would be sturdy opposition to entering any kind of union from which Germany was excluded. There would

be the question, too, of how Austria's entry into a customs union with Czechoslovakia and Hungary could be reconciled with the decision of the World Court to the effect that she could not, under the Geneva protocol, enter a similar combination with Germany.

Considerable feeling was roused when on Oct. 7 an edition of the *Prager Tageblatt* was censored because of an article by Dr. Fritz Jellinek advocating the plan which the Foreign Minister had propounded. According to a later edition, the offending article was stricken out not because of the theme treated but because of the too spirited tone in which the proposal was commended. Among other things, Dr. Jellinek declared that unless a Danube union is created Czechoslovakia will be reduced to the condition of Bohemia during the Thirty Years' War.

Discussing the recent Czechoslovak municipal elections, the *Central European Observer* in its issue of Oct. 9 commented with satisfaction on the political maturity and level-headedness displayed by the voters. It was pointed out that in almost half the communities the different parties agreed on common lists of candidates, thus relieving the people from going to the polls at all; also that while the elections occurred during a severe economic crisis there was no flight of the voters into the extreme parties and into the Opposition. "It is a comforting thing, and is evidence of the political maturity of the Czechoslovak voter, that the parties of the present government coalition have maintained their position and in many important cases strengthened it." Thus, while the German National Socialist party gained votes, the German Nationalist party, which has been equally in opposition, lost substantially an equivalent number. Similarly, in Slovakia, the Communists merely collected the votes of the Hungarian opposition parties. The government coalition emerged from the elections "consid-

erably strengthened, and the cooperation of the parties forming the coalition will only be facilitated by the election results."

It was announced on Oct. 12 that the governor of the Czech National Bank had gone to Paris to negotiate for Czechoslovakia a loan of \$20,000,000 supplementary to the large loan obtained in the same quarter six months previously.

POLAND AND THE DOLLAR

The fall of the British pound did not affect Polish banking, since almost all the foreign business of the country is transacted in dollars. For that matter, the dollar serves as subsidiary currency and is employed in a great deal of domestic business as well. A brief panic accordingly ensued on Oct. 9 when a rumor came from Paris that the United States had decided to abandon the gold standard and that an increase in the issue of dollar notes was being discussed in Washington. Long lines of people waited outside the banks to sell their hoarded dollars, which the banks, however, had no hesitation in buying. On Oct. 12 a communiqué issued by the commercial attaché of the United States and explanations by most of the newspapers ended the "flight from the dollar," but not until more than \$5,000,000 in American bank-notes had changed hands. During the scramble the public also dumped large quantities of bonds and foreign money of every kind.

A draft bill submitted to the Sejm by the Socialist party on Oct. 15 proposed territorial autonomy as a solution of the thorny Ukrainian problem, with East Galicia and Volhynia forming a self-governing province endowed with a Parliament, a Cabinet, a separate system of courts and a Minister for the province in the Cabinet at Warsaw. The President of the republic would be given the right to veto any act of the provincial Sejm considered inconsistent with national law. Adoption

of the plan was, however, considered improbable.

On Oct. 26 eleven leaders of the Socialist and Peasant parties who were arrested in the Summer of 1930, at the beginning of the campaign for the present Parliament, were placed on trial at Warsaw, charged, as Opposition leaders, with organizing a plot to overthrow the Polish Republic by force. The number included Vincenzy Witos, thrice Premier; Norbert Barlicki, former Cabinet Minister, and Herman Lieberman, prominent lawyer. Twenty-four leading advocates appeared for the defendants; more than 300 witnesses were summoned by the two sides, and altogether the "Brest-Litovsk case" (so termed because of the imprisonment of the accused for two months in the military fortress at Brest-Litovsk) promised to yield the greatest political trial in the history of modern Poland.

NEW YUGOSLAV CONSTITUTION CRITICIZED

Foreign observers and local opposition alike contrive to characterize the palace-made Constitution of Yugoslavia promulgated in early September as a plain piece of deception and add that the political régime existing under it is, at best, only a "constitutional dictatorship." The so-called resumption of constitutional government is alleged to have been prompted by three main considerations: first, a desire to set the stage for a large American loan; second, the wish of King Alexander to curb the ambition of Premier Zhivkovitch to become a dictator; and third, a purpose to consolidate Serb dominance and weaken the Croatian position. In the course of the electoral campaign late in October the Croatian Peasant party and the Independent Democrats succeeded in publishing at Zagreb a lengthy manifesto condemning the Constitution as essentially a dictatorial measure and accusing the government of manipulating the campaign by terrorism and corruption.

The country's financial situation is nearly as serious as that of Hungary, and early in October the banks announced that they would pay only 5 per cent of deposits a month and in no case to an amount exceeding the equivalent of \$45. The country has been a heavy sufferer on balance under the Hoover debt moratorium, and, in addition to an extension of a \$3,000,000 credit from the Bank for International Settlements, hopes to obtain loan from France, and perhaps ultimately another from the United States.

NEW BULGARIAN PREMIER

Impelled by growing ill health, Premier Malinov of Bulgaria on Oct. 12 handed to King Boris his resignation and that of the new Ministry formed after the defeat of the Liapchev Government at the general election six months previously. A new Ministry was promptly formed by the former Minister of the Interior, M. Mussanov, who took the portfolio of Foreign Affairs. The only other changes were the appointment of Dr. Alexander Girkionov, previously Finance Minister, as Minister of the Interior, and of M. Stefanov, prominent banker and former President of the Bulgarian Parliament, as Minister of Finance. Party representation in the Ministry remained unchanged.

LEAGUE REPORT ON HUNGARIAN FINANCES

In a report forwarded to Geneva on Oct. 27 by the financial subcommittee of the League of Nations sent to Budapest in September to investigate conditions assurances were given that Hungary will balance her budget for the rest of the year and avoid inflation, and will also rigidly control the expenditures of local authorities. The economic depression in the country, the report added, has been caused as much by world conditions as by Hungary's own lavish expenditures, borrowing for non-protective purposes and insufficient credit control. Royall C. Tyler, American expert who saw service as an assistant to Jeremiah Smith when the latter was financial adviser to Hungary, has been named by the League as its permanent representative at Budapest.

On Oct. 5 the visit of the Turkish Premier and Foreign Minister to Athens eventuated in an exchange of ratifications of the historic Ankara treaty negotiated in October, 1930. Such enthusiasm attended the event that a supplementary economic agreement between the once hostile countries was freely predicted.

Prohibition Issue in Finland

DURING the first nine months of this year the Coast Guard of Finland confiscated over 300,000 quarts of alcohol and over 100 motor boats and other craft. Early in October it was reported that a speed boat owned by a Finnish smuggler had been mysteriously sunk in the Gulf of Finland, with a loss of five lives—an indication of the existence of a bitter war among the rum

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runners contending for the spoils of a lucrative traffic. Among those killed was an Estonian police inspector.

That the whole prohibition situation may be approaching a new stage was indicated by an address delivered on Oct. 15 before the Students' Temperance Society in Helsinki by Dr. Paavo Virkkunen, who is a well-known temperance enthusiast, ex-Speaker of Parliament and former Cabinet mem-

ber. He declared, among other things, that "prohibition in its present form has no future whatsoever," and that "circumstances will bring about its collapse, probably very shortly." He maintained that even total abstainers among the students were losing their confidence in prohibition. The tenor of the address indicated clearly that this unimpeachable friend of temperance was not only counseling a referendum, as he did two years ago, but was underscoring the fact that prohibition alone will be sufficient to undo the damage which he believed could be directly attributed to prohibition.

ESTONIA AND ILLEGAL LIQUOR TRADE

On Oct. 15 sensational charges and disclosures were made in the Estonia Parliament concerning illegal exports of strong drink, with the force of the attack leveled especially against Minister of the Interior Hunerson. His critics maintained that an Estonian Coast Guard ship and its crew had been employed by the Ovo Alcohol Exporting Company. The ex-Minister of Justice, Mr. Kalpus, brought out facts to show that the Ovo Company had been definitely aided by the Coast Guard in its business and that other well-known smugglers had also been assisted in their illegal traffic, while rival liquor exporters had been prevented from moving freely within Estonia's territorial waters. The charges were denied by Mr. Hunerson, who stated that the stories concerning alleged government cooperation with certain favored smugglers had originated in the offices of certain newspapers which had received bribes. Thereupon the newspapers in question—especially the influential *Paevleht* and the *Vabamaa*—challenged the Minister to repeat his charges outside Parliament in order that they might institute libel proceedings against him. There is to be an investigation of the whole question which may help to explain why the

Helsinki Convention of 1925 for the prevention of illegal liquor exports has functioned so badly.

DANISH FARM RELIEF

It was decided at the Abenraa district meeting of agriculturalists on Oct. 13 to reject the contemplated strike against the payment of taxes and of interest rates, and to propose instead a nation-wide agricultural strike in order to secure for the farmers adequate consideration by the Danish Legislature. In the meantime, the Landsting (the upper house of the Riksdag) was engaged in a lengthy debate on the measures to be taken. The so-called "crisis bills" were finally approved on Oct. 19 by a vote of 41 to 26, the powerful conservative opposition having joined hands with the government in providing the relief demanded. The bills provided, in addition to other things, the establishment of a fund of 30,000,000 kroner (some \$6,500,000) to be used to aid the farmers in the payment of mortgages, interest charges and taxes, and as grants for long-term loans in case the present unfavorable conditions in foreign markets do not improve. An increase in the tax on beer, an extra income tax, increased import duties and reductions in military expenses will be levied to furnish the needed funds.

Measures designed to ease the commercial and financial situation were taken in the early part of October. On Oct. 3 the National Bank went to the assistance of the Handelsbank, one of the leading financial establishments in Copenhagen, whose depositors had been withdrawing heavily during the preceding few days. It was reported on the same day that the Riksdag Committee on Currency, appointed a few weeks earlier, had approved the suggestion of the Minister of Trade, Mr. Hague, that the note issue be increased to relax the credit tension. The necessary note coverage was to be reduced from 50 per cent

to 33.3 per cent. Since the suspension of gold payments by Denmark, commodity prices have been rising, in some cases by 20 to 30 per cent. Premier Stauning, referring to this on Oct. 2, hinted that the government might be forced to take steps to stop the upward tendency. That a general feeling of confidence prevailed in the country, however, was indicated on Oct. 15, when the Copenhagen Stock Exchange opened after a month's inactivity. While quotations showed a tendency downward, no signs of uneasiness or of panic were observed.

FASCISM IN SWEDEN

The Swedish press during October circulated stories concerning the existence of a Swedish Fascist army. On Oct. 25, the Stockholm police revealed the fact that such an organization, known as the Swedish Defense Corps, had been founded in 1927 under the leadership of several prominent military and civilian personages in the capital. The aim of the organization, which consists of some 2,000 men, is anti-Communitic.

Dr. Erik Axel Karlfeldt, Swedish poet and secretary of the Swedish Academy, who died on April 7, 1931, was awarded posthumously the Nobel Prize in literature on Oct. 8. Dr. Karlfeldt had been nominated before his death—no candidate may be proposed after death—and is the first thus to be honored posthumously. He is the third Swede to receive the prize in literature, the others having been

Selma Lagerlof, in 1909, and Verner von Heidenstam, in 1916.

ELECTIONS IN LATVIA

The elections for the Latvian Parliament (Sejm) were held on Oct. 3-4. Although the unemployment situation, together with other evidences of the present economic depression, gave the radical elements opportunities for effective campaign propaganda, the election disclosed an unmistakable increase in Conservative strength. The non-radical groups obtained 53.6 per cent of the total vote cast, as compared to a percentage of 48.5 in the last election. According to presumably reliable reports, 87 per cent of the Communists went to the polls. Some thirty different tickets were put in the field. The representation of the Centre and Right elements in the new Legislature is fifty-five out of a total of 100. As an outcome of the election, the Agrarians proposed that the bourgeois groups form a government. When the new Legislature met on Nov. 3 the Ulmanis Cabinet resigned.

ELECTIONS IN NORWAY

The results of the nation-wide local elections held on Oct. 20 indicated a marked swing to the Right. Out of the 4,200 officers elected, approximately 2,600 belonged to the bourgeois groups. The forces of the Left—Socialists and Communists—lost heavily. The Labor party lost about 150 seats and the majority in sixteen districts. The Communists succeeded in seating less than 100 representatives.

Weaknesses in Soviet Economy

IT has become increasingly difficult of late to form a composite picture of conditions within the Soviet Union. Attention has been focused upon individual phases of

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the situation in which events of a dramatic character have been taking place. Considered independently of one another, the record of these specific branches of Soviet economy gives

the impression of rapid and sustained progress.

In the heavy industries, for example, we learn that the new agricultural machinery factories have now begun mass production, as typified by a daily output of upward of 100 tractors at the Stalingrad plant. The iron and steel output shows a steady increase. The gigantic steel plants at Magnitogorsk, which are described as the world's largest industrial unit of their kind, are nearing completion despite almost insuperable obstacles. Coal production in the Donetz basin has reached the record figure of 135,000 tons daily as compared with 80,000 tons last Spring. The government can publish figures recording satisfactory progress in housing construction. The light industries purveying directly to the Russian household have always been woefully inadequate to supply the country's needs; but they are now said to be showing improvement. And overshadowing all these isolated examples of progress is the triumphant sweep of collectivization in agriculture, which is achieving in record time one of the truly significant social revolutions of history.

Viewing these evidences of the success of their program, the Soviet leaders and their friends in other countries are quite naturally exultant, especially so when the intense economic activity of the Soviet Union stands out in striking contrast to the profound depression of the rest of the world. Overattention to detail, however, may lead the observer to false conclusions regarding the stability of the economic structure as a whole. We need to know whether this rapid expansion of Soviet industry is founded securely upon the capacity of the country to sustain it; how well its various branches are fitted together into a balanced and stable economic system; whether the whole can be made to function smoothly and effectively to the promotion of human welfare. On these important points our information is incomplete; but there are cer-

tain evidences of weakness which cannot be disregarded.

With regard to the first of our questions it has been evident from the beginning that the material accomplishments of the Five-Year Program are not based on the natural capacities of the country. The vast accumulations of physical capital and, to a degree, the accompanying expert personnel are alien importations acquired by means of a type of deficit financing which has forced the Russian people to sacrifice current income abnormally. We need not describe the process by which these transactions are carried out, or explain again how the whole operation depends upon a continuance of the Soviet export power. These things are well known to every student of Soviet affairs. What is new in the current situation is a sudden weakening of Russia's ability to finance her indispensable import trade. This is due in part to the world-wide economic depression, which has caused a general curtailment of the imports of other countries, thus increasing Russia's difficulty in acquiring purchasing power in foreign markets; and has brought about a collapse of the prices of basic commodities which constitute the bulk of the Soviet exports.

But apart from this general factor, the recent turn of affairs within the Soviet Union has weakened the country's position in foreign trade. The grain crops have fallen short of earlier predictions; the government has experienced unexpected difficulties in obtaining grain supplies from the peasants, and political necessity has required the Kremlin to increase the food ration of the industrial population. All these factors combine to reduce the grain surplus upon which the government had relied in large part to finance the year's commitments to foreign countries. The striking rise of grain prices in the United States during the last days of October is a symptom of this condition. Various European nations have

been obliged suddenly to buy here grain supplies which they had expected to obtain from Russia, and it is rumored in the market that Russia herself is buying back grain futures which she sold earlier in the year.

It would be an unwarranted interpretation of the facts to assert that the Soviet trade is in imminent danger of collapse, or that Russia is about to default on her foreign commercial obligations. Numerous press dispatches from Central Europe making these assertions have been vigorously denied by the Soviet officials. Apprehension on the part of American concerns that large Soviet payments due here on Nov. 1 would not be made, proved to be unfounded, the Soviet Union depositing \$6,000,000 with American banks in time to meet this obligation. It is none the less true, however, that these developments, viewed in conjunction with the continuing unfavorable balance of Russia's foreign trade, constitute an element of weakness in the Five Year Program.

There are, as well, certain very noticeable flaws in the situation within the union which indicate that the hurriedly contrived industrial structure has not yet been integrated into a stable economic system. Outstanding is a failure of the transportation mechanism so serious as to nullify the good effect of the much-heralded progress in many individual lines of activity. Along with the figures of record production in the coalfields, the steel mills and the tractor factories are published gloomy accounts of the inability of the railroads to move these products where they are needed. On the whole, the railroads are operating little better than a year ago. Carloadings average 20 per cent below the specifications of the program. Despite the increased output of coal an order has been issued for a 10 per cent cut of fuel consumption in the cities. The cotton crop of Central Asia cannot be brought to the factories because of the failure of the railroads to

move the grain and commodity supply into the cotton regions. Similar difficulties are confronting the timber producing regions; and the ambitious construction program in the Urals is delayed by the failure of equipment and food supplies. The Stalingrad tractor output is piling up at the factory, although urgently needed for the Fall sowing on the farms.

The Soviet press describes the railroad situation as desperate; and to give point to these statements the government has just completed a clean sweep of the Transportation Commissariat which has removed from office the Commissar, two Vice Commissars and seven members of the railroad praesidium. In their places have been appointed A. A. Andreyev, one of the foremost Communist leaders, as chief in command, together with eight other new members.

Moreover, the smoothly functioning interchange of commodities which is the test of a balanced economic system is hampered by other factors as serious as the inefficiency of the transportation system. Chief among these is the non-cooperative attitude of the peasantry to which allusion has already been made. It is apparent that the Soviet Government is again confronting a "peasant problem." This time the trouble does not come from the hated Kulaks, for they have been obliterated as a social class, but from the very collectives which form the pivot of the Soviet agrarian revolution. However, its outward manifestation is exactly the same as before—the peasant refuses to deliver his grain and other supplies to the official agencies, and is accused of hoarding these supplies for his own use or of bartering them illicitly in private trade. There is abundant evidence that the government is seriously disturbed by the situation. The central organs of the collective farms have published statements accusing the peasant members of Kulak practices. The central committee of the Ukrainian Communist party has taken the

drastic step of expelling a large number of local party officers for failing to check the peasant opposition. Premier Molotov has issued a statement to the whole nation demanding co-operation from all sections of the people with the government's attempt to mobilize the food crops. Finally, on Oct. 18, an emergency committee was appointed by the Kremlin to take charge of the situation. V. V. Quibeshv, member of the Politburo and chief of the State Planning Commission, has been made chairman of this "committee of reserves"; M. Yagoda, a vice president of the OGPU, is vice chairman, and among its members is M. Bassilevich, a high officer of the Red Army.

The peasants will not sell their products to the Soviet agencies because the paper money which they would receive could not be exchanged for the sort of goods they need, namely, articles for household consumption. This is to be explained in part by the collapse of the transportation system to which we have referred, since this condition prevents the distribution in rural districts of the country's scanty supplies of factory products. But even if the railroad services were improved, the supply of consumers' goods would still prove far too small to meet the demand of the country districts. The underlying cause of the peasant opposition, therefore, is a basic maladjustment of the nation's economic structure, a lack of balance between the primary agrarian and heavy metal industries on the one hand and the "light" or consumers' industries on the other. And this is not an accidental state of affairs but an essential characteristic of the program upon which the Communist leaders are basing their hopes of social reconstruction. Obviously, regardless of momentary evidences of progress in isolated departments of the program, final judgment as to its success must be reserved until a more perfect unity has been established within the structure as a whole.

We should pause to take note of one important implication of this attitude on the part of the peasantry. It indicates that the triumph of collectivization in agriculture has been neither so complete nor so beneficial to the Soviet program as the published statistics would lead one to believe. This is not to say that the figures recording the extent of collectivization are false, for their accuracy is not open to question. But they do not mean that the peasant is really "collectivized" in his outlook and purposes. Many visitors to Russia have reported their conviction that the rush of peasant families into the collectives has not been a voluntary reaction but the result of a dragooning policy on the part of the Communist dictators. However this may be, it is evident at least that the great mass of Russia's peasant population, although ostensibly organized in Socialistic forms, retains its bourgeois outlook and motive. Socialism has not triumphed as yet in the domain of the human will. Moreover, the opposition to Communist policy is all the more formidable because of the collectivist organization. The Kulaks could be crushed out as an illegal and subversive class; but the collectives have been created by the government itself, and they cannot be treated as ruthlessly when they serve to give organization to a recalcitrant public opinion.

Care must be taken, of course, not to draw extreme conclusions from these features of the situation. They do not mean that the Soviet régime is in danger of collapse. The present "peasant problem" is not political; the opposition to Communist policy is not organized in any nation-wide, or even regional, political party; the Kremlin is more firmly established in the seat of power than it was eighteen months ago. But when attempting to appraise the present position of the Five-Year Program these factors of weakness in the economic structure of the country serve to warn

us against a too optimistic interpretation of the record of results accomplished.

SOVIET POLICY IN MANCHURIA

The foreign relations of the Soviet Union have been disturbed by the Sino-Japanese dispute in Manchuria. There are rumors that Russia is mobilizing along the Manchurian frontier, ostensibly to protect her interests in the Chinese Eastern Railway, but really, according to charges made by the Japanese Ambassador to Moscow, to lend military support to the Chinese General, Ma Chan-shan, who is opposing the Japanese in Tsitsihar. On Oct. 29 the Soviet press published an exchange of notes between Russia and Japan in which each nation sharply warned the other.

Japan concluded her summary of evidence that Russia was intervening in the Manchurian dispute with a blunt reference to "the danger that the sphere of conflict might be enlarged." Acting Commissar of Foreign Affairs Karakhan replied for the Soviet Union with a blanket denial of the charges and added an equally caustic statement that the Japanese "policy of military occupation applied under whatever form of so-called protection of interests and nationals is inconsistent with the peaceful policy of the Soviet Union and with the interests of world peace." While it is unthinkable that either nation desires to provoke the other to war, the situation contains an element of danger which might become really menacing if open conflict should break out between Japan and China.

The Near East Colleges

R EPORTS from the six members of the Near East College Association for the last academic year indicate steady work and

quiet progress, for which the generally tranquil conditions throughout the region provided the opportunity. The general commercial depression diminished funds somewhat, but did not reduce attendance. The university at Beirut had 1,542 students; Constantinople Woman's College, about 400; Robert College, 747; International College, Smyrna, 309; Athens College, 351; the American College at Sofia, 447. The Carnegie Endowment for International Peace made gifts to the libraries of all these institutions in amounts from \$3,000 to \$6,000. The Rockefeller Foundation, after five years' aid to the School of Medicine at Beirut, donated \$750,000 for endowment and \$250,000 for new buildings. An Institute of Rural Life has been created by the Near East Foundation, to work in the Southern Near East.

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The British and French authorities in Palestine and Syria have begun cooperative work with the Institute in Agri-

cultural Education. Beirut University graduated 118 seniors in 1931, from fourteen nationalities and eleven sects.

Constantinople College has received important gifts for its museum and art collections. Its students joined with those of Robert College in a tennis tournament, a Turkish magazine and dramatic studies. Robert College increased its contacts with Turkish schools, in particular by an open track and field meet. Of its 96 teachers, 35 are Americans and 27 Turks, while the remainder come from eight nationalities. The International College instructs mainly Turkish students, and those in Athens and Sofia, mainly Greeks and Bulgarians respectively. Athens College has reorganized its program. In 1936 and 1937 two classes will be added, leading to the award of the A. B. degree.

The college at Sofia held its first

full session on the new site. In five years' time a group of buildings has been constructed, the administration has been reorganized, and the course of study reshaped. This is the one coeducational or coordinated college in the group, though Beirut has a number of women students. The senior class at Sofia consisted of forty boys and thirty-eight girls. All the colleges are confronted with the problem of adjustment to local legislation, which tends to become more and more regulative in nationalist directions. All have been distinctly successful in maintaining thoroughly good relations with the governments above them.

Following the European trip of Premier Ismet Pasha and Foreign Minister Tewfik Rushtu Bey, the Balkan Conference met in Istanbul for the week beginning on Oct. 20. M. Litvinov, Foreign Commissar of Russia, visited the former and the present capital of Turkey during the last week of October, in particular attending the anniversary celebration of the inauguration of the Turkish Republic. On Oct. 26 Turkey recognized the government of King Zog in Albania, and announced that a Minister is to be sent to that country.

Among results of the Balkan Conference were the establishment of an inter-Balkan Chamber of Commerce in Istanbul, and an inter-Balkan Tobacco Bureau at Saloniki. The thorny questions of a joint treaty and the rights and treatment of minorities were left to be studied by special commissions. Turkey, once the ruler by force of all the Balkan area, has by supporting this conference again attained a certain leadership, now peaceful and voluntary.

The American Hospital in Istanbul has secured the entire sum of \$300,000 which has been sought for its endowment.

The Turkish Government received on Oct. 18 from Italian builders two new destroyers to be named Kodja Tepe and Ada Tepe, of forty knots

speed, each with four twelve-centimeter guns and six torpedo tubes.

When the English pound lost its gold value, the defined value of the Turkish lira was changed by the Istanbul Stock Exchange from 10.30 per cent of a pound sterling to 12.06 French francs. This appears to sanction a reduction from fifty to forty-seven cents in American money.

A NEW CABINET IN IRAQ

As a result of dissensions within the Cabinet, especially between Muzahim Beg Pachachi, Minister of the Interior, and his colleagues, the Prime Minister, General Nuri Pasha as Said, resigned on Oct. 19. He was asked by the King to form a new Cabinet. Only two changes were made, involving the recall of the Minister in London to take the portfolio of Foreign Affairs and Defense, and of the Minister in Ankara to take that of the Interior.

Minorities in Iraq continue to protest against the plan to give the Iraqi Government full control of their destinies after the new arrangement with Great Britain. They lack complete confidence in the influence of the League of Nations over its members, of which Iraq is to become one.

AFGHAN NATIONAL ASSEMBLY

King Nadir Shah opened the Afghan Grand National Assembly on July 6 with a speech in which he invited his subjects to abandon internal discord and unite on measures for the good of the country. He denied that he had obtained control of the country with the help of Great Britain, stating that, on the contrary, that government had placed obstacles in his way. He announced that he had recognized all the treaties concluded by the preceding government and declared that he had made no secret treaty with any power.

A new Ministry was constituted later in July, with Shah Mahmud, brother of the King, as Premier. Until recently Shah Mahmud has served as

Minister of War. He had an opportunity to exhibit the results of his efforts in a grand review held at Kabul on Aug. 20, the last day of a week's celebration of the anniversary of Afghan independence. Before the review King Nadir Shah gathered Afghan notables and foreign representatives near the Column of Independence to hear an address in which he affirmed that the immediate need of the country is internal improvement. He mentioned various plans already under way for the hospital at Aliabad, the encouragement of local industries and the attainment of internal security.

The government is taking in hand the reorganization of commerce, the stabilizing of finances, the opening up of mineral resources and the improvement of lines of communication by road, railway and airplane. Not over seventy Europeans now reside in the country, mostly at Kabul. The French and German schools have each six teachers. The Director of Archaeology is a Frenchman and of Posts and Tel-

egraph a German. Two Italians teach in the School of Artillery. Nineteen out of twenty Russians are in the Afghan Government service. England is represented only by her legation personnel.

Foreign trade is very largely Russian. English wares are too expensive. Germany and Japan transact some business. A weekly air service crosses the Russian frontier between Kabul and Termez, with communications via Tashkent to Moscow. The fare to Moscow is about \$200. A similar air service is contemplated between Kabul and the Indian frontier, as well as a regular air post between Kabul and Teheran.

Recognizing the high place held by Moslem learned men in his country, the King has created a school of Arabian sciences and instituted a Council of Ulema, or learned men, to be elected by the people. He has created a new system of courts in three stages—of first instance, appeal and final decision. The new Assembly possesses consultative powers.

Japan's Objectives in Manchuria

DESPITE the efforts of the League of Nations, supported in unprecedented fashion by the United States, the dispute between China and Japan over Manchuria does not appear at this writing to be much nearer a settlement than when the first steps toward peace were taken. At the same time, Marshal Chang Hsueh-liang, who succeeded his father, Chang Tso-lin, as War Lord and dictator of Manchuria, has now virtually lost all the power and authority he possessed in that great region (an account of which appears on pages 345-350 of this magazine).

The various and chaotic independence movements, the resulting rapid spread of banditry, and the deter-

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mined opposition of the Japanese to Chang Hsueh-liang's rule have combined to destroy almost every vestige

of the old régime—almost, but as yet not quite, because here and there a General in Manchuria, still loyal to him, is able to hold his own.

Among the Generals of Marshal Chang who have maintained their positions is General Ma Chan-shan, Acting Governor of Heilungkiang Province, and in command of the forces at Tsitsihar. On Oct. 15 it was reported that General Chang Hai-peng, who placed himself at the head of an independence movement in Heilungkiang Province, was marching upon Tsitsihar and that he had notified the supporters of Marshal Chang

that he intended immediate occupation of the city. He expected to take possession of the city without opposition. It was at first reported that General Ma had decided to surrender the city without a struggle, and that he had given assurance to the inhabitants of the city to this effect. On Oct. 21, however, came word that he had administered a decisive defeat to General Chang and that the latter had withdrawn his forces westward toward Hailar.

The destruction of the old régime and the appearance of no government capable of restoring order have made Manchuria an ideal place for the spread of banditry. Banditry has appeared everywhere, causing serious damage in certain places and forcing the suspension of railway traffic on the branch line from Tungliao to Chengchiatun.

The Japanese have insisted that they have not supported any of the independence movements in Manchuria and that they will not intervene in any matters affecting the government of the country. On the other hand they have been determined that under no conditions will they tolerate the restoration of Marshal Chang's power in Manchuria, nor permit any Manchurian government hostile to Japanese interests.

After the Japanese took possession of Mukden on Sept. 18 Marshal Chang Hsueh-liang established a temporary capital at Chinchow, on the Gulf of Liaotung and on the Peiping-Mukden Railway. Japanese Army authorities in Manchuria immediately decided that the establishment of a nucleus here for administrative and military opposition to Japan could not be permitted. According to Japanese sources 20,000 Chinese troops were concentrated at Chinchow. On Oct. 8 twelve Japanese naval planes left Newchwang and flew over the Gulf of Liaotung to Chinchow, to scatter leaflets over the city. These, issued in the name of the Japanese military authorities in Manchuria, asserted that Marshal Chang

had lost popular confidence and that, failing to realize his position, he was attempting to establish a government at Chinchow. The leaflets further warned the people of the city not to support Marshal Chang's government, because the Japanese would not recognize it and would take positive action to suppress it.

While the planes were over Chinchow, according to Japanese reports, they were fired upon by Chinese troops. The planes immediately retaliated by dropping bombs and then scattering the leaflets. Accounts of the extent of the damage from the bombardment are too conflicting for any safe estimate to be made. It is clear, however, that the initiative for the action was taken by the local Japanese army authorities in Manchuria without orders from Tokyo. High military authorities in Tokyo immediately supported the action of their Manchurian subordinates, and thus, for the second time, forced the hand of the Cabinet.

At a Japanese Cabinet meeting on Oct. 9, the Chinchow incident was discussed briefly. The incident was viewed as a repetition of previous warnings that Marshal Chang will not be permitted to rule in Manchuria. Although news of the bombardment of Chinchow caused alarm at Geneva and other capitals, there was no indication that this would cause Japan to change her policy.

On Oct. 10 Secretary Stimson dispatched a note to the American consular representative at Geneva for delivery to the League of Nations which, in referring to the Manchurian dispute, pointed out that the "covenant of the League of Nations provides permanent and already tested machinery for handling such issues" as that which had arisen between China and Japan, and that it was "most desirable that the League in no way relax its vigilance and in no way fail to assert all pressure and authority within its competence toward regulating the action of China and Japan

in its premises. On its part the American Government, acting independently through its diplomatic representatives, will endeavor to reinforce what the League does and will make clear that it has a keen interest in the matter and is not oblivious to the obligations which the disputants have assumed to their fellow-signatories in the pact of Paris as well as the nine power pact should a time arise when it would seem advisable to bring forward these obligations."

On the same day China appealed to Alejandro Lerroux of Spain as president of the Council of the League of Nations, to convene the Council in special session to consider the new phases of the Manchurian problem created by the bombardment of Chinchow. As a result a meeting of the Council was called for Oct. 13.

Although most high officials of the League were delighted with the Stimson note, the Japanese delegation was a notable exception. The leaders of the delegation expressed a willingness to confer with the United States at Washington on the Manchurian problem on the basis of the nine power pact or the Pact of Paris, but they resented America's throwing her weight on the side of the League without assuming any of the responsibilities involved. The Japanese especially resented Secretary Stimson's reference to the League's using "all the pressure and authority in its competence," and asserted that the League is not authorized to apply pressure upon its members.

When the Council convened the question of the form which American participation should take was uppermost in the minds of the delegates. Prentiss Gilbert, American Consul General at Geneva, was authorized by the State Department to participate informally in the discussions. It was evident that Japan would oppose any invitation to America to participate in the discussions, and that a unanimous vote would therefore be impossible of attainment. Nevertheless, Mr.

Gilbert, accompanied by four other members of the consulate staff, was present at the plenary meeting of the Council held on Oct. 13.

Aristide Briand on the morning of Oct. 14 called a secret meeting at his hotel of all members of the Council except the Japanese and Chinese. He reported that he had been formally advised that if invited to do so, the United States would appoint Mr. Gilbert to sit at the meetings of the Council as observer. The members agreed the invitation to sit as observer would not require a unanimous vote. Only on a question of principle would a unanimous vote of all members of the Council be necessary, and this, it was agreed, was a question of procedure, not of principle. Japan had already agreed to the supplying of information by the United States; it was a matter of procedure whether the United States should be invited to supply that information in written form or orally by means of a representative present at the meetings of the Council.

When the vote of the full Council on the question of American participation was taken on Oct. 15, the one opposing vote was cast by Japan. Kenkichi Yoshizawa, the Japanese delegate, declared after the vote was taken that Japan had opposed American participation on juridical grounds only. The invitation extended to the United States requested an American observer to sit at the Council table during the deliberations and take part in the discussions in so far as they related to the Kellogg-Briand anti-war pact. On the following day Mr. Gilbert was present at the Council table.

At a meeting of the Council on Oct. 17, at which all members were present except China and Japan, and at which Mr. Gilbert participated on the basis of full equality, a decision was taken to invoke the Pact of Paris. As all States represented at the Council were also signatories of the Pact of Paris they were invited to dispatch identical

notes to China and Japan reminding them of their obligations under Article II of the pact; League members outside the Council and signatories of the pact not members of the League were likewise asked to send similar notes. To all these States, including the Soviet Union, the League on the same day sent notes informing them of the action taken by the Council and urging them to put the pressure of their authority under the pact into service for world peace. By Oct. 20 the United States, Great Britain, France, Italy, Spain and Germany had already complied with the recommendations of the Council.

Japan on Oct. 20 presented five points which she offered as a basis for negotiations: (1) The two countries (China and Japan) shall pledge themselves to commit no act of aggression against each other; (2) they will suppress hostile agitation, boycotts and hostile propaganda; (3) Japan will respect the territorial integrity of Manchuria; (4) China will protect Japanese residents in Manchuria; (5) China and Japan will make an agreement for cooperation and avoidance of ruinous competition between the South Manchuria and other railroads in Manchuria and give effect to all existing treaty rights. Briand approved the first four of the demands, but suggested that the fifth was too complicated to admit of immediate acceptance. He suggested also that a simple clause be substituted to the effect that China should respect all her treaty commitments. The next day Japan complied with Briand's suggestion.

When "treaty rights" are referred to in negotiations between China and Japan, the treaty of 1915 which grew out of the Twenty-One demands is understood. The principal privileges gained by Japan in this treaty were the extensions of the leases of Dairen, Port Arthur and the South Manchuria Railroad. The National Government of China, however, has never recognized the validity of the treaty,

on the ground that it was extracted by duress, an argument scarcely tenable in international law. If the League Council should ask China if she would respect all her treaty obligations, China would refuse to acknowledge the validity of this treaty. And yet recognition of the validity of the treaty is vital to Japanese interests in Manchuria.

On Oct. 21 the Chinese delegates countered with a memorandum outlining their proposals: (1) No negotiations until the Japanese troops are withdrawn; (2) a neutral investigation during and after withdrawal; (3) reparations for the damage committed; (4) establishment of a permanent board of arbitration and conciliation between Japan and China. The first point is the most important. The chief obstacle to the solution of Manchurian difficulties by direct negotiation has been Japan's firm insistence that negotiations must precede and provide a basis for evacuation, while China has been equally insistent that evacuation must precede negotiation.

The committee of the "Big Five" of the Council, composed of delegates from France, Germany, Italy, Great Britain and Spain, adopted a resolution at its meeting on the morning of Oct. 21 which was reported to state that the Council considers itself in permanent session. It recommended suspension of deliberation on the subject for three weeks, urging that in the meantime China and Japan proceed to direct negotiations on the two major issues—the safety of Japanese nationals in Manchuria and the suppression of anti-Japanese agitation in China. The Council did not adopt the recommendation of its committee. To have done so would have meant a victory for Japan rather than for China, since it proposed precisely the form of negotiation recommended by Japan after the previous meeting of the Council on Sept. 30.

On Oct. 24 the Council adopted a resolution by a vote of 13 to 1, with Japan again casting the one dissent-

ing vote, which called upon Japan to withdraw her troops within the South Manchuria Railway Zone by Nov. 16. The Council then adjourned until that date. During the discussion which preceded the voting Mr. Yoshizawa, the Japanese delegate, was made to feel the isolation of his country and was forced to listen to harsh judgments uttered by other delegates. "I see great danger," said Señor de Madariaga, "in a nation's claiming the right to stay in territory in which it is not entitled to be, on the plea of insecurity." And again he said: "So far as open relations are concerned, I have to admit that I am greatly disappointed by the attitude of the Japanese Government." Even M. Briand was moved to the unkind reflection "that public opinion would find it difficult to admit that military occupation could be assigned to the category of pacific means." The resolution, to be effective under Article XI of the League Covenant, requires a unanimous vote, and is therefore not binding upon Japan. Japan declared immediately that she would not comply with the terms of the resolution, and would not evacuate by Nov. 16. When Japan withdrew 600 soldiers from Kirin on Nov. 1 to be transferred, some to Supingkai in Manchuria and others to Taonan and Chengchiatun in Mongolia, she was careful to state that it was not to be interpreted as a willingness to comply with the resolution of the League Council.

By Nov. 4 the Manchurian situation had become so critical that another extraordinary session of the League Council was called for Nov. 7. The Japanese are reported to have declared that strong forces must be sent to Chinchow to drive out Marshal Chang Hsueh-liang. Fighting between Chinese and Japanese troops on Nov. 5 at the Nonni River bridge at Tsitsihar resulted in the withdrawal of the Chinese from their position, leaving behind 200 killed, but on Nov. 7 the Chinese were reported to have retaken their old position following the retire-

ment of the Japanese. As a result of rioting at Tientsin on Nov. 9, the Japanese troops there shelled the Chinese quarter of the city while troops in the foreign concessions were called out to guard their areas. Reports of troop movements, of clashes between Chinese and Japanese troops and of the massacring of Korean farmers in Manchuria, are confusing the actual situation. Trade in Manchuria, while stagnating because of the uncertainty of the future, is said to be falling into the hands of Japanese. Moreover, the Russian attitude toward Manchuria is obscure. According to the Japanese, Soviet troops have been moved into the Russian zone of Manchuria, but Moscow papers declare that the Japanese statement is an attempt to throw dust into the eyes of the western world, while Japan itself moves troops into strategic Manchurian areas.

Unfortunately, the military element in Japan is in control and is not disposed to be conciliatory. In China there has been a continual stiffening of resistance against Japanese encroachments. The boycott, the eleventh to be inaugurated in China against Japan since the fall of the Manchu dynasty in 1911, has become most effective and is being carried out by patriotic societies and unorganized bodies with militant zeal. Rumors of an approaching rapprochement between China and the Soviet Union are not lacking. They indicate that, should war break out, Japan would not only be diplomatically isolated, but would perhaps be unable to localize the conflict. Soviet Russia would be almost certain to enter the war in order to protect her interest in North Manchuria.

Meanwhile, the unification movement between the Nanking and Canton elements has been progressing apace. Although on Nov. 2 the conference was reported to have collapsed, the stimulus of war should tend to present a united front toward a common enemy.

TO AND FROM OUR READERS

[Anonymous communications will be disregarded, but the names of correspondents will be withheld from publication upon request. The Editor assumes no responsibility for unsolicited manuscripts unless accompanied by return postage.]

EXILES FROM RED RUSSIA

To the Editor of Current History:

I was much interested in Alexander Nazaroff's article, "Exiles From Red Russia," in October CURRENT HISTORY. Most of the information he gives is correct, but on page 68 there is the question whether the émigrés engage in anti-Soviet propaganda. At the end of his article Mr. Nazaroff answers by saying: "Most of them [the Russian émigrés] realize that they will probably not return to Russia. They try to live in the present and future, to forget the past. Life is too real to be wasted in fruitless political controversy."

I would like to call to the attention of your readers the fact that nearly half of the 25,000 Russian university graduates abroad are united in a world-wide organization, the United Associations of the Russian University Graduates Abroad, which in September, 1930, issued a declaration which said in part: "The Young Russians deem it unthinkable and unpardonable to have a passive attitude toward the events which are taking place in the Soviet Union. They feel that it is their duty to tell those foreign people in the midst of whom they are living and working that the Russian nation is living through a tragedy and ardently desires to become free and independent, even though it is at present in a state of slavery due to a monstrous tyranny."

The contents of this declaration are known to Mr. Nazaroff, inasmuch as I sent it to him myself. As a representative of the Young Russian Intelligentsia may I state that we university graduates do not regard anti-Soviet work as fruitless political controversy.

IVAN I. CHERNIKOFF,
Treasurer Russian University
League of America.

Beechhurst, N. Y.

BUSINESS DEPRESSIONS SINCE THE CIVIL WAR

To the Editor of Current History:

Professor Elteman's article, "Business Depressions Since the Civil War," in October CURRENT HISTORY is both interesting and enlightening, for he compresses much information into little space. His title, however, is somewhat misleading, for only the major depressions are described, and no mention is made of that of 1893-1895, which was severe in the United States, while in England, according to the Report of the Royal Commission on the Depression in Trade and Industry, 1886, it was even more intense than the hard times of the '70s.

Professor Elteman's opinion of the effect of bumper crops in 1879 is orthodox, but it may be asked whether the coincidence of oversupply in

this country and shortage elsewhere actually caused a revival here or merely hastened one. The Index of Business Conditions compiled by the American Telephone and Telegraph Company indicates the former, but if we are to judge by the Business Annals of the National Bureau of Economic Research, evidences of a revival were present in the latter part of 1878.

A more serious objection to Professor Elteman's article is that it conveys to the casual reader the impression that the United States has existed in an economic vacuum, while actually none of the periods mentioned can be well analyzed without consideration of world conditions. Each of the depressions enumerated had its counterpart in the greater part of the world's industrialized sections.

HAZEL VAN DYKE ROBERTS.

New York City.

To the Editor of Current History:

Professor Elteman's article, "Business Depressions Since the Civil War," in October CURRENT HISTORY, was an unusually readable account of the high lights of our previous depressions, but it left me with the feeling of "knowing everything and understanding nothing." It was well that it was followed by a lucid statement from Professor Wertenbaker, who rightly contends that any attempt to maintain the 1928 wage scale in the face of a world-wide decline in commodity prices merely prolongs the depression. Professor Elteman's article gave us information, but Professor Wertenbaker's article gave us enlightenment.

GLENN E. HOOVER.

Department of Economics and
Sociology, Mills College, Cal.

PRESIDENT HARDING: A RE-APPRAISAL

To the Editor of Current History:

Irrespective of the question raised by Sherman Blanchard in your October issue as to whether Harding was or was not actually guilty of the acts of official misconduct sometimes laid to his charge, it is extremely important in the interests of public decency and of public policy that similar acts should not be made light of by the press. Surely no one will deny that an American President who puts his cronies into high office and, whether by carelessness or moral turpitude, permits them to steal and squander the nation's resources should be branded as infamous by press and people. Not the slightest possible doubt must be allowed to exist on that point. ALFRED B. CRUIKSHANK.

St. Malo, France.

THE CONQUEST OF INVISIBLE DISEASE GERMS

To the Editor of Current History:

I have read with interest "The Conquest of Invisible Disease Germs," by Watson Davis, in October CURRENT HISTORY, the most informative of magazines. It is said by Mr. Davis, as well as by many others, that "some disease germs take a tremendous toll of human life." The evidence supporting that broad statement is very meager, and, when examined in the light of medical research, is

often more imaginative than real. The germ theory of disease was accepted on faith, not on scientific demonstration. Had it not been for professional avarice and public cupidity, antitoxin could not have attained its present popularity, for its manufacture and sale as an antidote to germ poisoning was a logical consequence of the professional acceptance of the germ theory of causation.

The fact that medical practice had advanced to a remarkable degree before the discovery of any antitoxin either as a curative or preventive in so-called germ disease militates strongly against the value of the germ theory of causation. Many physicians know that most infectious diseases were treated as successfully twenty-five years ago as now. This statement can be verified by reference to files of medical journals of the period. From 1920 to 1924 there was a remarkable decline in the death rate from five contagious diseases, a decline which cannot be attributed to greater efficiency of antitoxins or to the discovery of new serums.

Another well-known fact that detracts much from the claims of bacteriologists is that better sanitation and better care in homes and hospitals, coinciding with the advent of antitoxins, had a mighty influence in reducing the death rate and in making persons more resistant to disease. Also, the history of epidemic malignant diphtheria plainly shows that when dilute solutions of carbolic acid were used locally and internally better results were obtained than with any other remedy. So apparent was the use of carbolic acid in the treatment of diphtheria that it became an important ingredient in all earlier antitoxins used to combat the disease, and it may well be assumed that the carbolic acid, masked by the horse serum in which it was used as a preservative, was the chief factor in reducing the death rate and making antitoxin popular with the medical profession.

J. W. LOCKHART.

St. John, Wash.

THE POPE'S ATTACK ON SOCIALISM

To the Editor of Current History:

Robert Delson's article, "The Pope's Attack on Socialism," in October CURRENT HISTORY, is ably written. But it seems to me that he and others who seem more or less mystified concerning the attitude of Pope Pius XI would get a clearer idea of the subject by putting the Pope's words in the form of a syllogism, supplying the implied minor premise. This is what I mean:

Socialism "has in the main become divided into two opposing and often bitterly hostile camps, neither of which, however, has abandoned the principle peculiar to Socialism, namely, opposition to the Christian faith." The Catholic Church is a depository of the Christian faith. Therefore, "no one can be at the same time a sincere Catholic and a true Socialist."

Socialism is based upon economic determination and the materialistic conception of history. A Catholic or a fundamentalist Protestant joining an organization holding such tenets could hardly be sincere in profession of orthodox religious faith. That in recent years moderate Socialists have departed from the strict interpretation of property rights, and that in some countries there is a tendency to veer away from the materialistic principle as a necessary part of a sound Socialistic program, may be freely admitted. But this moderation can hardly be said to be complete anywhere, in actuality or in theory. JAMES D. WHELAN.

Twin Falls, Idaho.

SOUTH CAROLINA'S STATE LIQUOR EXPERIMENT

To the Editor of Current History:

I am delighted with J. L. Sherard's article, "South Carolina's State Liquor Experiment" in October CURRENT HISTORY.

It is fair, forcible and shows becoming reserve. It is to be commended to those gentlemen who think it necessary to go to Canada or Denmark to study the question of State ownership and State control. In 1905 I wrote to Senator Tillman an open letter, widely published in the press of the State, saying: "That the administration of the dispensary system is corrupt any fool can see as he runs. No matter how high your purpose may have been in adopting the system, in its origin it seems to have been a cunningly devised scheme to chloroform the public conscience. It is wrong in principle and corrupt in practice, and its doom has been written. By throwing your powerful influence against the present agitation you may save the dispensary for a while, but it is tottering and must fall."

GEORGE B. CROMER.

Newberry, S. C.

THE NEW ETHIC OF DIVORCE

To the Editor of Current History:

I have read with much interest the article in your October number entitled "The New Ethic of Divorce." Dr. Kammerer is very wise in making the distinction between divorce as a malady and divorce as a symptom and in pleading for a much more careful study of the causes leading to divorce. I am quite in agreement with him also in his contention that the most serious consequences of divorce are borne by the children.

B. S. WINCHESTER.

New York City.

THE PLIGHT OF BULGARIA

To the Editor of Current History:

I am writing to set before your readers the plight of Bulgaria, weakened by the World War and an unbearable peace treaty which threatens the existence of the nation. For the last eight years the country has been in the grip of a dictatorship, which was fortunately overthrown by elections in June, 1931. The new government, however, has inherited many troubles. The reparations obligations are so heavy that, had it not been for the humane move of President Hoover, we should surely have been driven to the wall this Autumn. I shall visit the United States shortly upon the invitation of the Carnegie Endowment for International Peace to make known the deplorable situation in my country and to beg the moral support of generous America.

STOYAN OMARCHEVSKI,

Former Minister of Public Instruction of Bulgaria.

Sofia, Bulgaria.

BOOKS OF THE MONTH

The Brown Decades

Continued from Page VI

steel mills, the mechanization of agriculture, the gutting of the Pennsylvania soil for petroleum, the rise of the trade-union movement and the accretion of great fortunes in the tills of a few powerful men such as Carnegie, Gould, Morgan, Rockefeller and Armour. It was a time when the pall of soft coal grime was spreading over the land. Red brick gave way to brownstone along the streets of Eastern cities; dark walnut furniture drove rosewood and mahogany to the attic or to the second-hand dealer, and the age of Emerson and Whitman was seemingly buried under an avalanche of timid novels, no-account poetry and "materialistic" thinking. Mr. Mumford, looking at the mass effect of an era whose pigmentation ranges in retrospect from yellow brown to dark sienna—no blues, no gay greens, no splotches of carmine—has added another dismal tag to the collection; he has called the years from 1865 to 1895 "the brown decades."

But he is not here concerned with the shabby and ferocious aspects of the age; in fact, he thinks the flinging of brickbats, no matter how necessary the gesture was for the correction of historical perspective, has been a little overdone. It was a barbarous time (Jay Gould's cynical statement, "I can hire half the working class to kill the other half," while extreme, is not the sort of speech that could be uttered in an enlightened epoch); but underneath the hum of expansion, the echo of Crédit Mobilier scandals, there was cultural growth—a "buried renaissance," no less. The time has come, Mr. Mumford says, to open up the treasure.

And so, with lucid exploration of the accomplishments of American originators in architecture, city planning, literature, conservation, education, philosophic thought and painting, Mr. Mumford proceeds to unearth the gold from the débris. It would be impossible to summarize Mr. Mumford's book adequately in small space; but we can at least list names. And these names, of Charles Peirce and William James in philosophy, of Emily Dickinson in

poetry, of Eakins and Ryder among the painters, of Henry George and Edward Bellamy among political thinkers, of William Graham Sumner in sociology, of Charles Eliot in education (he at least gave the *coup de grâce* to a dead educational synthesis, even if he did not create more than the fragments of a new one), of the Roeblings in bridge building, and of Henry Hobson Richardson, Louis Sullivan and Frank Lloyd Wright in architecture, are all names that any age might exhibit with what is known as pardonable pride. These figures are only the more obvious ones in *The Brown Decades*; Mr. Mumford has uncovered others of importance that will come to the lay reader with the shock of new acquaintance. Such are the personalities of Frederick Law Olmstead, designer of Central Park in New York and a fruitful thinker in the realm of community planning; and George Perkins Marsh, the "father of the conservation movement"—a movement that was not to gain its real impetus until the Rooseveltian decade.

How good a case has Mr. Mumford made out for his "buried renaissance"? For the individuals under consideration he has done an excellent job of rehabilitation—in Richardson's case, at the expense of playing down the "grim" and "fortress-like" aspects of the man's architecture that were unfortunately encouraged by the grimness of the epoch. He has not tried to rehabilitate the age as a whole; indeed, no one with a civilized sense of values, which Mr. Mumford pre-eminently has, could make the attempt. *The Brown Decades* is in essence the story of a little leaven that could not succeed in working through the entire loaf—and its value to us must reside in its clarification of the nature of leaven that we may make use of it for our own day.

Liberalism in Mexico

By ERNEST H. GRUENING

Author of "Mexico and Its Heritage"

LIBERALISM IN MEXICO. By Wilfrid Callcott. Stanford University Press, 1931. Pp. 410. \$5.

PROFESSOR CALLCOTT of the University of South Carolina has sought to set down the continuity of "liberalism" in Mexican political policy and statecraft from the period of "The Reform"—1857 to the present. As

such, he has written a somewhat sympathetic, if wholly factual and objective, outline of the separation of church and State three-quarters of a century ago, and the continued and continuing defeats of the church in trying to regain its former status. At the same time other social ferments—agrarian reform, attempts to spread popular education more widely, the labor movement—were at work. Professor Callcott has arranged his facts clearly and in logical sequence, and has drawn upon a fairly wide choice of material. Of this, however, little is new, the bulk of it depending upon secondary works and other published material. The one important primary source to which he refers are the Riva Palacio Papers, consisting of several thousand letters and papers in the Garcia collection in the University of Texas which were useful for the period covering the first ten years of his study. Even this material, however, contains nothing startling or essentially new. Perhaps the best chapter is that on the Constitution of 1917, the material for which is largely drawn from the debates of the constitutional Congress.

The book is a wholly creditable presentation. Viewed, however, from the high standard of thorough scholasticism, the work raises several points in technique which apply with equal pertinence to many similar works issued with the imprimatur of our institutions of higher learning. Virtually every sentence in the entire volume is footnoted with a reference. But these references, in the overwhelming majority of cases, are to secondary works. And while, presumably, the author may be trusted to select only such secondary works as he deems dependable, the question immediately arises as to why he did not go to the primary sources. Actually, however, a good many of these secondary works are not trustworthy as sources. Considerable use, for instance, is made of *The Religious Question in Mexico*, by J. Pérez Lugo. Who is this gentleman? Well, he is non-existent. The name is a pseudonym and the book a piece of propaganda published by the government in 1926 to present its side of the religious conflict. Precisely the same may be said of Arturo M. Elias's *The Mexican People and the Church*, which, written by the former Mexican Consul

General in New York and half-brother of President Calles, can scarcely be considered an objective document. Both were written when the recent State and church conflict was its height to present the case for the State.

In varying degrees this criticism applies to certain other sources that Professor Callcott cites from time to time, although it is fair to say that he has maintained a balance by choosing propagandist books from both sides. Thus W. A. Ross's *Sunrise in Aztec Land*, written by a Presbyterian missionary; Melinda Rankin's *Twenty Years Among the Mexicans*, which has the same bias, and A. Paganel's *What the Catholic Church Has Done to Mexico*, are balanced by Bishop Francis C. Kelly's *The Mexican Question—Some Plain Facts*, Francis McCullagh's *Red Mexico*, and the writings of Régis Planchet. The question which this technique raises is whether two sets of partisan pronouncements neutralize each other to produce the exact truth or whether tendentious presentations on both sides do not merely help to diminish the authority of the whole picture.

The somewhat indiscriminate system of footnotes also deprives the author of the opportunity to make himself felt and tends to give the entire work the somewhat disconnected character of a miscellany. Moreover, the dependence upon secondary and tertiary accounts inevitably leads to certain minor inaccuracies, though the book is on the whole a faithful mirroring of the period under consideration. Professor Callcott's declaration that Carlotta's fateful errand to Napoleon III and the Pope "had as its chief result her own insanity" propagates a widely accepted error. Carlotta had previously shown marked symptoms of mental disturbance. Inevitably, her tragic failure to secure assistance in the courts of Europe and to save her husband's life were dramatized.

"The peon [under Díaz] in many cases learned for the first time how tragically poor he was, and in a blind and blundering fashion began to feel around to remedy matters." This is one of the few statements in the volume for which no citation is given, and seems to this reviewer to be wholly without foundation. There was little proletarian or agrarian ferment under Díaz. The hacienda peonage was firmly established. If anything,

the chains of serfdom were riveted more firmly upon the peon under the Porfirian dictatorship.

A reference (p. 247) to the workers' attempt to secure the partition of a banana plantation under the agrarian reform is attributed to the Carranza Administration. It belongs under Calles. Nor does there seem to be any basis for the assertion that the candidacy in 1925 of Señora Elvia Carrillo Puerto for the National House of Deputies from the State of San Luis Potosí "showed that the new day for women was rapidly dawning." Indeed, it showed just the opposite, for Elvia Carrillo was robbed of her seat through the customary Mexican electoral fraud and no woman has seriously attempted to secure any political rights since. A number of minor inaccuracies appear: Archbishop Ernesto Filippi, the Apostolic delegate who was expelled by Obregón, is referred to as Philippi. Various authors' names in the footnotes are not accurately given: Portillo y Rojas, for example, is given as López-Portilla y López.

The bibliography is open to criticism. In the first place, a number of works to which reference is made in the footnotes are not listed at all. Next, the classification is extremely confusing. The author divides the bibliography, apart from the three manuscript references, into correspondence and documents, contemporary accounts, pamphlets, secondary accounts, and newspapers and periodicals. But under "secondary accounts" he lists, on the other hand, such extremely diverse works as Robert Redfield's scholarly *Tepoztlán, a Mexican Village*, a study on the ground of Mexican folkways; Edward I. Bell's excellent *The Political Shame of Mexico*, which gives a first-hand observer's account of the events preceding "the tragic ten days," and, on the other, such tertiary and slapdash volumes as George Creel's *The People Next Door* and such wholly indirect and remote material as various collections of university lectures on Mexico. The line between primary and secondary material is not always easy to draw, but a far better arrangement than Professor Callcott's is possible and desirable if the bibliography is to serve later students.

Similarly, under the heading "Contemporary Accounts" are such widely disparate works as Arrangoiz's impor-

tant four-volume history of Mexico from 1808 to 1867, Molina Enriquez's epoch-making *Los Grandes Problemas Nacionales*, as important in its relation to Mexico as Rousseau's *Contrat Social* and other encyclopedists' writings to the French Revolution, and such a purely ephemeral and official publication as Puig Casauranc's *The Religious Question in Relation to Public Education in Mexico*, published in 1928, Puig being Minister of Education at the time. The more one puzzles over the bibliography the more confusing the classifications appear. The index is likewise inadequate. The chief justification for an index should be its approximation to completeness.

In summary, one may ask whether *Liberalism in Mexico* is not typical of the response to the university's demand that its professors "publish"—a demand not balanced by adequate facilities in time and money afforded them for doing a thoroughgoing piece of research. It is quite true that in his preface the writer disclaims the purpose to "provide a definitive treatment of recent Mexican history." And it is not the function of a reviewer to venture criticism because an author has not done something which he never intended to do. Nevertheless, it may properly be urged that so serious a study, invested with all the trappings of academicism, should make a definite contribution either in excavating hitherto unknown facts or in furnishing an approach for a new interpretation of a period or a movement. Professor Callcott's previous *Church and State in Mexico*, much more limited in scope, fulfilled these requirements.

The Collapse of the Austro-Hungarian Empire

By LLOYD W. ESHLEMAN

THE COLLAPSE OF THE AUSTRO-HUNGARIAN EMPIRE. By Edmund von Glaise-Horstenau. Translated from the German by Ian F. D. Morrow. New York: E. P. Dutton & Co., 1930. Pp. xii, 347. \$6.75.

THIS writing does not purport to deal with the causes of the fall of Austria-Hungary and her Habsburg rulers. It is concerned with the historic events in the revolutionary movements which, rising in 1916, spread rapidly during the closing months of the

World War and plunged the great Danubian monarchy into a social, political and economic chaos.

Colonel von Glaise-Horstenau is well equipped for his task. Under the republic he has been director of the war archives in Vienna, under the monarchy he was attached to the imperial staff, and throughout his public career he has been in intimate contact with the figures concerning whom he writes. Thus he is able not only to deal historically with the fifteen major revolutionary movements which spread over the empire but to delineate characters and analyze motives in a most able manner. One turns from his account with a more intimate knowledge of the men who furthered the destruction of Austria-Hungary and shaped the destinies of the succession States. Furthermore, one feels that while the author has many preferences in regard to impersonal policies, he writes of people dispassionately and with keen insight. Throughout the book his own thoughts are apparent between the lines, yet his account of events seems to favor strict veracity. The author "does not presume to offer anything final," but rather a limited picture, "to a certain extent accurate and supported by documents, of the developments in Austria-Hungary during the war and the decisive weeks of the revolution. The policy of the Entente during the war, which was finally not less decisive for the fate of the Danubian monarchy than events within the empire, is still a book with seven seals. Despite the enormous mass of memoirs, the seals will not be broken for some time."

The introductory chapters afford an exceptional commentary on the conduct of the war and the strategic failures of the imperial high command. The middle chapters deal largely with diplomatic and political manoeuvring, and with the strength and weakness displayed by the leading actors in this great duel for power and glory. The closing chapters provide amazing pictures of what was going on within the ranks of the Austrian Army and behind the front during the last few months of the war.

If the author has any decided point of view regarding the collapse of the thousand-year-old power of the East Mark, it would seem to be to the effect that the collapse was not (as has so frequently been asserted) the result of the inevita-

ble—the climax of age-old ambitions. Instead it was the outcome of a choice in chances, the turn of the wheel of history in a cycle controlled by opportunists, weaklings and sanctimonious ignoramuses both without and within the empire—but mostly without. For example, the unconditional entrance of Carpathian Russia into Masaryk's State was determined at Scranton (sic), Pa.!

Colonel von Glaise-Horstenau combines a scientific manner of historical exposition with a clear and concise style and a sense of dramatic proportions. Altogether, this book is an interesting contribution in which much material will be found that is new to most of us.

America Weighs Her Gold

By RUSSELL D. KILBORNE

Professor of Banking and Finance, Amos Tuck School, Dartmouth College

AMERICA WEIGHS HER GOLD. By James Harvey Rogers. New Haven: Yale University Press, 1931. Pp. xiii, 245. \$2.50.

THE book, *America Weighs Her Gold*, is a successful attempt to popularize certain branches of economics, such as the balance of international payments, foreign trade and the tariff, money and prices and especially gold, by clothing them with flesh and blood. Some of the chapter headings, such as "Debts and a Pound of Flesh," "How Uncle Shylock Trades," "The Golden Spiral," "Deserted and Depressed," indicate how successful the author has been in selecting happy phrases to vitalize his subject.

The importance of this book is to be found in the simple manner in which the author drives home the grip which gold now has upon the leading countries and the evil consequences flowing from this intensification of gold. The book is divided into two parts; the first deals with the balance of international payments, the second part with some of our economic institutions—money, banking and price policies, tariff and war debts—which are being weighed in the balance. The conclusions to the first part of the book can be stated with a reasonably high degree of accuracy; those of the second are largely penetrating observations indicating certain possible avenues of escape from the difficulty.

Since 1914 the United States has become a creditor country, creating a problem which is not the result so much of being a creditor as of the speed with

which this happened. Owing to a large export of capital by private investors and inter-governmental loans and reparations, we are receiving each year an increasing amount of interest payments from abroad. Our exports balance our imports; what items in the balance of international payments can be adjusted quickly to offset interest and dividend payments? Professor Rogers shows why we cannot expect much change in tourists' expenditures, immigrant remittances and the minor items. Long-time capital exports have a high degree of adjustability but are exceedingly erratic and undependable. Commodity imports cannot very well be increased to restore this balance because of a short-sighted and politically corrupt tariff, contrasting sharply with the policy pursued by Great Britain when she became the leading creditor of the world. Great Britain received the pay for her capital exports and interest and dividend payments in the form of increased commodity imports, which were made easier by a free trade policy. Gold and short-term bank credits, Professor Rogers concludes, are the only items in the balance of payments which are capable of a high degree of adjustability in a very short time.

In the second part of his book the author shows some of the consequences to the United States and other countries of receiving these short-term credits and gold. The exodus of gold from other countries is not desirable, because it is needed by their central banks for bank reserves. Many of the countries exporting gold to the United States have but recently stabilized their currencies on a gold basis, and the gold in the inverted pyramid of bank credit has become so small as to endanger the whole credit structure. The theory of classical political economy that a gold exodus would in time cure itself has failed because of semi-rigid prices and an elastic banking system. Moreover, the United States has found that gold and short-term bank credit assist in creating low short-time money rates, which in turn make it easy for long-time loans to be floated. These long-time loans in turn add to the interest and dividend payments which the country is to receive in the future.

Meanwhile, various countries of the world, to protect their gold supplies, have established tariffs or have raised those already in existence. These new

tariffs in turn make the exportation of American goods more difficult, just as the United States has made the exportation of goods to it more difficult.

Is there no way out short of a capitalistic collapse? Or will a new equilibrium come eventually into being as a result of the working of certain economic forces? It is quite possible that a decline in the cost of living in Europe may make such an appeal to American tourists that this item may add enough to our imports to bring about a balance. Possibly, too, labor and agriculturists and international financiers and manufacturers may see the light and bring about a decline in our tariff rates.

Professor Rogers tells us that this book was written in the torrid heat of a Washin on Summer. Perhaps this heat may account for his stimulating sarcasm best revealed in Chapter 7, where he draws an analogy between the instinctive action of pine caterpillars and much of human conduct. To support this analogy he quotes from a number of individuals whose statements perforce are about on a par with the instinctive action of the pine caterpillar. It is somewhat unfair to criticize some of the principles on which the author rests his case, because he has purposely made his book appeal to the public. Among some of the principles or statements with which one may disagree are his ideas concerning the rigidity of prices, the belief that gold shipments are motivated largely by profit, probably overstressing money and understressing the production of goods as price-determining factors, and a belief in the efficacy of central banking authorities and control. It is on these subjects that opinions differ; but these differences do not in any way militate against the excellence of this little book.

Soviet Economic Policies

By CALVIN B. HOOVER

Author of *"The Economic Life of Soviet Russia"*

THE SOVIET PLANNED ECONOMIC ORDER.

By William Henry Chamberlain. Boston: World Peace Foundation, 1931. Pp. 258. \$2.50.

THE SUCCESS OF THE FIVE-YEAR PLAN.

By V. M. Molotov. New York: International Publishers, 1931. Pp. 77. \$1.25.

FEW foreigners know Soviet Russia as Mr. Chamberlain knows it. He has the gift of being able to analyze and reduce to coherence and form the conflicting currents of Russian life

which to the ordinary observer remain always contradictory, confused and chaotic. As he is a newspaper correspondent it is natural that he should be able to write in a readable way, but it is rare to have the qualities of a research worker combined with those of a journalist. This small book, which deals with the economic situation in Russia, must consequently be regarded as a valuable and welcome addition to the current descriptions and estimates of that situation which are available to the public.

Mr. Chamberlain sketches the origin and background of the present Five-Year Plan. He performs a needed service in once more pointing out that the period of the New Economic Policy, which succeeded the period of War Communism, was mistakenly considered outside Russia as a permanent retreat to capitalism. He shows that this was not true, and states categorically that there can be no reasonable expectation that the Soviet Union will revert to capitalism. The Five-Year Plan represents the determination of the Communist party to industrialize Russia at the earliest possible moment, not only in order to increase production and raise the standard of living but to end the contradiction between socialistically organized industry and agriculture carried on by peasant husbandry.

Mr. Chamberlain not only succinctly describes the planning system of the country but he quotes from the original plan the most significant of the productive estimates for the period. A brief outline of the structure and mechanism of the Soviet economic system is also given. This is particularly helpful, since it enables the reader more easily to understand the functioning of the plan.

After citing the rates of increase in industrial production—21.6 per cent in 1927-28, 24 per cent in 1928-29 and 25 per cent in 1929-30—which have followed a large increase in earlier years, he says: "No large country can show a rate of quantitative industrial progress comparable with that of the Soviet Union during the last eight years." He explains the apparent discrepancy between the high rates of increase in industrial production and the almost universal shortage of commodities by pointing out that production is specialized in certain lines and that consequently many other commodities are not produced at

all or are produced in very small quantities, that the importation of consumption goods has almost ceased, that the amounts of iron, coal, oil and similar necessities have increased enormously during the period of expansion of the industrial plant, and, finally, that the quality of production is extremely bad, and instead of getting better has grown worse.

The standard of living actually declined during the first two years of the Five-Year Plan, but Mr. Chamberlain quite rightly notes that this decline was accounted for in large part by the destruction of cattle by the peasantry during the period of enforced collectivization. He considers that it may be two or three years before the supply of animal products from the large State farms and ranches will have equaled the supply from the individual peasants in 1926 or 1927.

The author does not believe that the Soviet Union will be an important exporter of manufactured goods for many years to come. He believes, however, that unless insuperable tariff barriers are raised, exports of grain, oil, lumber and other raw materials will greatly increase. He believes, nevertheless, that "an increase of prosperity and purchasing power in the Soviet Union would be beneficial, rather than otherwise, to the rest of the world," in spite of the fact that he concludes that "the race between the capitalist and Socialist systems has begun."

The statement by V. M. Molotov, chairman of the Council of People's Commissars, is an interesting document. In this report on the activities of the government to the Sixth All-Union Soviet Congress, he reviews the progress which has been made by the Five-Year Plan and contrasts this with the widespread decline in production and economic unsettlement in capitalistic countries. Parenthetically he defends the Soviet Union against the charges that the crisis in capitalistic countries has been caused by Soviet dumping. He also denies the use of forced labor in the production of goods for export.

Molotov reviews the relations of the Soviet Union with the various capitalistic countries and dwells at some length on the campaigns for intervention in the

Continued on Page X

Tributes to George W. Ochs-Oakes

1861-1931

THE death of George W. Ochs-Oakes, the editor of *CURRENT HISTORY* (an account of which, with a biographical notice, appears on Pages 322-324), immediately brought forth tributes to his character and achievements from President Hoover, leaders in all fields of public activity and the large number of his friends throughout the country. The telegram from the President read as follows:

The White House,
Washington, D. C.
Oct. 27, 1931.

To Adolph S. Ochs:

I am greatly shocked and saddened by the death of your brother, George Washington Ochs-Oakes. His patriotism was reflected in all his service to the public welfare. I prized his friendship and mourn his loss as a friend and a splendid American. I extend to you my deep sympathy and shall appreciate it if you will convey to Mr. Ochs-Oakes's sons an expression of my sorrow in their bereavement.

HERBERT HOOVER.

Editorial, *The New York Times*, Oct. 27, 1931.

With deep regret we record the sudden death yesterday of one whose long association with *The Times* makes his loss seem a personal one to all in the office of this newspaper. Ever since the present organization of *The Times*, Mr. Oakes had been one of its officers. His keen and intelligent interest in the ongoing of the paper was a constant stimulus and inspiration. For some years he had been editor of *CURRENT HISTORY*, a magazine which, under his skilled direction, has made a distinct place for itself, widely accepted as it has been both as an authoritative record of world events and a medium of discussion by authoritative writers.

Mr. Oakes was a man of energetic personality, eager in the acquisition of knowledge, which he continually broadened by reading and study and contact with kindred minds. His own was singularly alert and penetrating. Of unfailing vivacity in personal intercourse, with an intense patriotism which flamed especially high during the World War, with interests and sympathies that extended over a great range of subjects and activities, his was a full and vibrant life which it is hard for his associates to think of as ended. He will be missed and mourned not only here in *The Times*, but by all who knew him and had been impressed by the extraordinary vitality which always seemed to characterize him.

In the following pages will be found accounts of the funeral services in New York and Chattanooga and tributes taken from the large number of letters and telegrams received by members of Mr. Oakes's family and by the staff of *Current History*.

Funeral Services in New York

Funeral services were held on Oct. 28 in the chapel of Temple Emanu-El, Fifth Avenue, New York, with the following as honorary pallbearers:

George Gordon Battle	Charles F. Hart
Louis L. Benedict	Gilbert T. Hodges
F. T. Birchall	Edwin L. James
Fred T. Bonham	James N. MacLean
Willis Bright	Lester Markel
Spencer Brodney	William L. Murray
Bainbridge Colby	Alfred Newburger
Leonard Drew	Rollo Ogden
Dr. John H. Finley	Ellery Sedgwick
Charles M. Graves	Louis Wiley
Dr. Albert B. Hart	

Rabbi H. G. Enelow of Temple Emanu-El presided at the services, and Rabbi Jonah B. Wise of the Central Synagogue, New York, reviewed Mr. Oakes's career in the following address:

My dearly beloved brethren:

For some of us death is defeat, and for others victory. We are assembled here in the fellowship of Israel once more to concern ourselves with the great mystery. We do not know why life comes, we do not know why death comes. Between the beginning and the end of our earthly struggle there are many things which we find out and list as discoveries. The lives of those we love enrich our knowledge and our faith.

George Ochs-Oakes's life was triumphant and death for him was not defeat. He came to it in a way which was characteristic of all the things he thought and did. He met it and conquered it without a scar upon his body or any trace of that ugliness which is for so many involved in the struggle of life. As I knew him, he faced existence that way, always. He was ready to grapple with it on its own terms. He fought with it unquestioningly, with the dignity of a Jacob wrestling with the angel at the ford of the Jabbok. He knew many wounds, but was never maimed in the battle of life.

He began life poor in money, but rich in spirit. True, he had the advantage of a rich heritage of worthy parentage, both on his mother's and father's sides. These gave him more than material wealth. He came of goodly stock, which sent him into the world with a body poised for combat, a mind ready to grapple with life and with a soul inside him. As he rose from place to place in a career which was significant for the heights at-

tained, he did so without crushing down any other being. He did it without chicanery and without guile. He did not find it necessary to cheat, to browbeat his fellow-man. Some men are inspired by a spiritual quality which shows itself in confidence and in a reaching out toward high ideals. He believed and believed firmly in the best things of life and held it a privilege to share them with others.

He was a convinced American. To him, as to many of us, birth and citizenship in this great Republic were privileges far above their value in terms of wealth and comfort. Just to be of the soil and a part of the project of our democracy was to George Ochs-Oakes inspiring. Often I have heard him speak of his America, and while sometimes it seemed to me that he expressed himself in terms which were almost florid, I could understand and share his sentiment for our beloved country.

He was one of the men in Israel. To him, Israel had dignity and beauty. His loyalty to it came to him of right from his father's house, a heritage which he was always eager to protect. His religion was significant for him, and might be summed up somewhat as follows: "The true religion for each of us is the most spiritual view of reality that we are able to realize and live by."

But Israel was even more significant for him than the faith it involved and the hope it inspired. To him it was the history of a great endeavor and a noble aspiration. He shuddered at the prospect of seeing it impaired by encrustation or innovation. He had a passion for it which amounted to poetic love. May the God of our fathers, that shield of Abraham, the God of Israel, receive his soul in peace, for as the Eternal rejoiced in his people, the soul of George Ochs-Oakes reveled in Jeshurun. His faith, which had sprung from the strong ideals of Israel, had something of Walt Whitman about it—

Whatever else withheld, withhold not from us
Belief in plan of Thee enclosed in Time and
Space;

Health, peace, salvation universal.
Is it a dream?

Nay, but the lack of it the dream.
And, failing it, love's lore and wealth a dream.
And all the world a dream.

—From "Song of the Universal."

His successes in the field of journalism are known to all. His association with it is distinguished.

To his wife who passed away before him, to his two sons, he was not only

a kind but a significant and inspiring husband and father. His children have a heritage from his life and of his life more lasting than brass. In the words of Scripture, "A good name is better than precious oil." Probably that is what makes the day of his death better than the day of his birth.

George Ochs-Oakes would well be described as a gentleman in the sense of the Fifteenth Psalm—that gentleman's Psalm which English-speaking people love so much:

Lord, who shall sojourn in Thy tabernacle?
Who shall dwell upon Thy holy mountain?
He that walketh uprightly and worketh righteousness, and speaketh truth in his heart;
That hath no slander upon his tongue, nor doeth evil to his fellow, nor taketh up a reproach against his neighbor;
In whose eyes a vile person is despised, but he honoreth them that fear the Lord; he that sweareth to his own hurt and changeth not;
He that taketh not a bribe against the innocent.
He that doeth these things shall never be moved.

He lived in this spirit, judging his fellow-men with firmness, yet with kindness; and disciplining himself both physically and mentally in such a way as to stand out significantly. So death for him was not defeat, but a march through a triumphal arch with the promise of lasting victory.

By request Rabbi Wise read four stanzas from a poem "The Sleep," by Elizabeth Barrett Browning. The stanzas follow:

Of all the thoughts of God that are
Borne inward into souls afar,
Along the Psalmist's music deep,
Now tell me if that any is
For gift or grace surpassing this:
"He giveth His beloved—sleep."

What would we give to our beloved?
The hero's heart to be unmoved,
The poet's star-tuned harp to sweep,
The patriot's voice to teach and rouse,
The monarch's crown to light the brows?
"He giveth His beloved—sleep?"

His dew drops mutely on the hill,
His cloud above it saileth still,
Though on its slope men sow and reap:

More softly than the dew is shed,
Or cloud is floated overhead,
"He giveth His beloved—sleep."

Ay, men may wonder while they scan
A living, thinking, feeling man
Confirmed in such a rest to keep;
But angels say, and through the word
I think their happy smile is heard—
"He giveth His beloved—sleep."

Rabbi Wise followed the poem by this prayer:

Lord, in Thy compassion grant perfect rest to the soul of George Washington Ochs-Oakes, who has gone into eternity. Lord of Mercy, bring him under the cover of Thy wings. May his soul be bound up in the bond of eternal life. The Lord hath given. The Lord hath taken away. Blessed forever and ever be the name of the Lord.

The following members of Mr. Oakes's immediate family were at the services: His son, John B. Oakes; Mr. and Mrs. Adolph S. Ochs, Mr. and Mrs. Harry C. Adler, Mr. and Mrs. Milton B. Ochs, Mr. and Mrs. Arthur Hays Sulzberger, Mr. and Mrs. Julius Ochs Adler, Adolph Shelby Ochs, Captain William Van Dyke Ochs and Mr. and Mrs. Theodore DeCue Palmer. The absent members were Mr. Oakes's son, George W. Oakes Jr., who was at Oxford, and Miss Nannie Ochs and Mr. and Mrs. B. Talimer, who were in Paris—all of whom immediately returned to America.

After the services the funeral party went to the Pennsylvania Station. Two special cars attached to the noon train carried the immediate family and intimate friends to Frankford, Pa., where Mr. Oakes was buried in Mount Sinai Cemetery beside his wife.

Funeral Services at Chattanooga

At the memorial service held at Julius and Bertha Ochs Memorial Temple, Chattanooga, on the evening of Oct. 30, Justice Alexander W. Chambliss told of intimate details of his friendship with Mr. Oakes and paid high tribute to his

outstanding citizenship in the following words:

Perhaps it is most worth-while that I speak to you of my friend's good citizenship, his early and late unflinching interest and participation in public affairs, the upbuilding of his city, his State, his nation, and, in later life, his world-wide vision and earnest,

thoughtful consideration of men everywhere, in these days of universal stress. It was to this last international field that he devoted his fine talents through the great magazine which he so successfully conducted.

Only this morning my eye fell on a quotation from *The Philadelphia Ledger*, the great newspaper which he formerly edited, which so reminded me of him that I thought it might well have come from his pen. Concluding a startling recent survey of the costs of government, the rising tide of taxation, with its extravagance and waste and destructive tendency, the *Ledger* says:

"In the long view the issue is in the hands of the rank and file of American citizens. If they are in deadly earnest about checking the rise of taxation, they can check it. First, by lessening their own perennial and exorbitant demands upon the States and the nation and local governments, and second, by enforcing their wishes for reduction upon their representatives. It is time for the individual taxpayer to stop moaning to his neighbor about his tax troubles and make his voice heard in city council chambers, in State capitols and in the halls of Congress."

I thought of my good friend. I could hear his voice over the forty intervening years denouncing the indifference of the so-called "good citizen," his failure to vote, to participate in public affairs, in party councils, his utter and shameless neglect of his obligations to his government and the public interest. How bitterly he denounced this general apathy, lack of concern on the part of "good men." I well remember when he coined and sounded the phrase, "The bad citizenship of good citizens." Oh, yes, said he, they are good men, all right, consider themselves the "best citizens," but

their citizenship is weak, futile, bad, because they fail to take part in the affairs of their city—shirk their plain public duties—are too busy. His slogan, "The bad citizenship of good citizens," which I early adopted, was emphasized by the repeated statement that "If the best men don't run affairs in city and State governments, the bad men will." So he threw himself always and actively into party conferences and conventions, seeking to put forward and elevate to office the best available public servants. And when the demand seemed to call him to hold office, he responded and manfully led the fight for a clean city government, progressive and economical, giving freely of his time and thought and means, and making a public record as chief executive of Chattanooga of which all were proud.

What little, through the years, I have been able to accomplish along these lines of public service had its inspiration largely in my early intimate association with him, as we talked and planned together and discussed our obligation as young men to devote a large part of our thought and time and energy to questions of public interest and welfare. We fought together in the primary and nominating conventions, and at the polls, for the best men available for public office—against the corrupt and for the clean and pure in public life.

This is the great lesson his life has brought to me, which I, tonight, pass on to you, as his body rests beneath the sod in a far-off grave. Hear with me his voice echo down the corridors of time, calling on us to be faithful to our high trust of citizenship in this city, State and nation, to give freely and constantly the best that is in us for the public good—the preservation of our government in the highest and purest and most effective form.

An Exponent of Americanism

Rabbi Parker, who conducted the service, referred to Mr. Oakes's visits to Chattanooga and the reverence with which he approached the plot where his father is buried. After mentioning the culture of Julius Ochs and his coming to America as a young man in search of civil liberty, Rabbi Parker proceeded:

Because this country gave to him what he sought, his son, George W.

Ochs-Oakes, has never failed to be thoroughly American in his ideas. The children of Julius and Bertha Ochs have attempted to serve this country as an expression of gratitude because it had given their parents the right of free men in the eyes of the law.

I think George Ochs-Oakes was not Mayor because he wanted an office, but because he felt the responsibility of good citizenship. That was an outstanding characteristic, to repay this country that debt which he felt he would never repay.

Mr. Oakes was a sympathetic inter-

nationalist, at the same time with an Americanism so strong he was bitter toward anything un-American. He was an exponent of superhuman Americanism. Mr. Oakes took an especial interest in the educational and library systems of Chattanooga and was him-

self a classic example of education and a student until the day of his death. He was a cultured flower, the finest in Jewish life. A Jew without culture is not an honor to his people, and George Ochs-Oakes was an honor to his people.

Expressions From Public Leaders

William Gibbs McAdoo, former Secretary of the Treasury: George W. Ochs-Oakes, a brother of Adolph S. Ochs, publisher of *The New York Times*, was a schoolmate although not a classmate of mine at the University of Tennessee, in Knoxville, a good many years ago. His younger brother, Milton, was one of my classmates. George Ochs was a fine student, commanding the respect and esteem of the student body. Although he was my elder, he and his brother Milton and I were warm friends. This friendship has persisted throughout the years. Adolph Ochs subsequently bought *The Chattanooga Times*, which he still owns, and the Ochs family removed to Chattanooga, Tenn., where also I subsequently went and where I was admitted to the bar. George Ochs was one of the principal aides of his brother Adolph on *The Chattanooga Times*, and soon made a fine reputation for himself in the newspaper world. Subsequently, he moved to New York and became the editor of *CURRENT HISTORY*, published by *The New York Times*. In that capacity he maintained the high ideals, standards and discriminating intelligence which characterized him throughout life, and the success of *CURRENT HISTORY* is largely due to his splendid direction. He was loyal in his friendships, vigorous in his patriotism and unswerving in the discharge of duty.

Bainbridge Colby, former United States Secretary of State: In several delightful informal meetings, the impression Mr. Oakes made upon me was that of a high-minded man, of broad sympathies and interests and of a sweet and gentle nature.

Norman H. Davis, former Financial Commissioner of the United States to Europe, 1919, and member of Armistice Commission: For Mr. Oakes I had a very high regard, both for his ability and for his character. He was a very loyal Tennessean and a true American.

William Cabell Bruce, former United States Senator from Maryland: No

better monument to Mr. Oakes could well exist than is to be found in the pages of the admirable periodical which was so long shaped by his firm and skillful hand.

William Sulzer, former Governor of New York: I deeply regret the death of Mr. Oakes, that good and distinguished man, who for many years was my personal friend.

Friedrich von Prittwitz und Gaffron, German Ambassador to the United States: The passing of Mr. Oakes is mourned and deplored by a wide circle of admirers of the valuable journalistic work he performed during his lifetime, in particular as editor of *CURRENT HISTORY*.

Henry Morgenthau, former United States Ambassador to Turkey: My sincerest sympathy on the loss of Mr. Oakes.

George de Ghika, Hungarian Consul General in New York: In the passing of Mr. Oakes, all Hungarians lose a warm-hearted friend of their country.

George A. Hastings, Secretary to President Hoover: In my contacts with Mr. Oakes, I came to have the highest admiration for his personal qualities and attainments as a journalist and citizen.

Cordell Hull, United States Senator from Tennessee: Mr. Oakes was a remarkable man in many outstanding respects, and I correspondingly admired him. He and I had correspondence at intervals over a long period of years. This gave me something of an insight to his broad and sound views relating specially to our governmental and economic affairs. No person cherished a more intense devotion to his fellow-men, nor worshipped at the shrine of unalloyed patriotism more devotedly than he.

George Foster Peabody: I rejoice in the tributes paid to George Washington Ochs-Oakes. I was particularly glad for the appreciation voiced for *CURRENT HISTORY*. How rich the inheritance of a lifetime of closest association and true companionship with one who nobly served his fellows and even future generations.

Educators' Appreciations

Professor Albert Bushnell Hart of Harvard University: George Washington Ochs-Oakes was an unusual man in many directions, gracious and winning in personality, with a remarkable power of winning and retaining friends. He was the prince of good-fellows. Till his last experience in the hospital he was always alert and happy to meet his friends. His office in the Times Annex was full of books and pictures and manuscripts. He was an excellent workman in literary affairs and could use the blue pencil on occasion with excellent effect. He had a soft heart for the contributors or other friends who strayed in, seeking the editor. Editor he was from brain to pencil point, fully competent to delete or to leave standing. He had a knack of improving the press copy that reached him. His development of *CURRENT HISTORY* to its present position as a literary and political power makes a chapter in the record of *The Times* publications. The World War gave rise to a demand for informed articles on international relations and the social and economic progress of the nation. He conceived the idea of a monthly conspectus of the affairs of the world prepared by a group of experts, both men and women, many of them occupying responsible university chairs in history or economics or government. To them all he was a kind of big and considerate brother who took sincere pleasure in the work of his contributors. *CURRENT HISTORY* has been a genuine journalistic invention in its fullness and freshness of text, its covering of a large area, its well-chosen illustrations. That periodical rose and gained while some of its rivals in the field lost power. George Washington Ochs-Oakes was one of the handsomest, most approachable and most kind hearted men in a city abounding in good fellows. He was genuine, very active in clubs and organizations, president of the Civitan Club. He never ceased his continuing interest in *The American Year Book*, of whose editorial board of experts he was a member. He was one of the strong factors in the taking over of that annual by *The New York Times*. Few men enjoyed such a circle of acquaintances and fellow-members and enduring friends. The world is poorer than it was two days ago.

Nicholas Murray Butler, president, Columbia University: It has been with the deepest regret that I have read of the loss which has come to *The*

Times in the death of Mr. George Washington Ochs-Oakes, whom I knew but slightly but greatly respected. It so happens that Mr. Ochs-Oakes stood in a very direct relation to us on Morningside Heights and was about to proceed to the degree of Doctor of Philosophy with marked credit. I greatly deplore his untimely death and offer my sincere sympathy.

John Grier Hibben, president of Princeton University: I wish to express my sincere sympathy for Mr. Ochs for the loss of his brother, George W. Ochs-Oakes, whose death is a great shock to his many friends. He was a man with a constant sense of civic duty all his life, a public-spirited citizen ready at all times to give support to every good cause. He possessed an unusually wide range of intellectual interests and knowledge and a conspicuously cultured mind, all of which he made tributary to his able editing of *CURRENT HISTORY*. I came to know Mr. Ochs-Oakes intimately owing to the fact that his two sons were here and he kept in close touch with the interests and activities of the university.

Howard Lee McBain, dean of the Faculty of Political Science, Columbia University: Mr. Oakes was a fine spirit, full of catching, youthful enthusiasms.

Professor Robert Livingston Schuyler, Columbia University: The death of Mr. Ochs-Oakes is a very real loss to this community. He was always forward in good causes and eager to serve the public. As editor of *CURRENT HISTORY* he contributed much toward creating an informed public opinion in this country on questions of world politics. His charm of manner and modesty endeared him to a wide circle of personal friends.

William R. Shepherd, Professor of History, Columbia University: With Mr. Oakes has gone from American life a man of eminent achievement and inspiring personality. A scholar, singularly adept in his profession, he left upon me an indelible impression of all that is fine in public service.

Ray B. Westerfield, Professor of Political Economy, Yale University: Mr. Oakes was a great man and valuable citizen, one who can be spared only at heavy loss to his country, city and magazine. My associations with him were always so very pleasant that I regarded him as a kindly friend, al-

though I had never met him except by mail.

Lindsay Rogers, Professor of Political Science, Columbia University: American journalism has suffered a great loss.

W. E. Lingelbach, Professor of History, University of Pennsylvania: I am again reminded of the very remarkable contribution to the study of contemporary history made by Mr. Oakes. The founding of *CURRENT HISTORY* seventeen years ago and the liberal editorial policy consistently pursued during the period of its existence has supplied a most attractive forum for a discussion of the vital issues and a fair-minded appraisal of men and events of our time. The eminently fair and objective policy of the journal in

giving a hearing to varying points of view called for rare insight as well as courage. That a host of others agree with me in these sentiments, I know.

James Thayer Gerould, Librarian, Princeton University: It is not often that a man can have the distinction of accomplishing something that is absolutely unique, but that distinction was his. Nowhere else is the world about us reviewed with anything like the fullness and objectivity of *CURRENT HISTORY*, and the permanent value of the record cannot be questioned. It was always a great pleasure for me to meet him. His genial courtesy, his wide acquaintance with affairs, his interest in education, made a visit to his office a matter of keen enjoyment. I shall miss him greatly.

Expressions From Contemporaries

Ellery Sedgwick, editor, *The Atlantic Monthly*: George W. Ochs-Oakes was made of the stuff *The Times* is made of. Solidly informed, definite in conviction, steering a straight course in all sorts of weather, he inspired a confidence far transcending the circle, wide as it was, of his associates. Of late years he had been identified with *CURRENT HISTORY*, and that useful and intelligent magazine is a faithful reflection of his native interests. An other-minded man, he was widely concerned with other peoples, their relation to one another and to the world; but never for an instant did he compromise his patriotism, and his friends will always recall his devotion to his country's cause in the World War. His going thins the ranks of editors of the old school, to whom jazz is no temptation and smartness no excellence; but the tradition which he enlarged and fostered during a long and useful life will survive and flourish.

Albert Shaw, editor, *The Review of Reviews*: From his sickbed, Mr. Oakes had just written me a note of such warmth and friendliness in a bereavement of my own that I was deeply touched. He was a man of noble character, high intelligence and great usefulness. I hope that his young sons will know how highly their father was esteemed, and that his memory and the knowledge of his faith and clear convictions, and of his steadfast devotion to his ideals, may inspire and help them as they enter upon their own life work.

Henry Goddard Leach, editor, *The Forum*: In his association with *The New York Times*, and as editor of *CUR-*

RENT HISTORY, Mr. Oakes played an important rôle in civic affairs. Please accept my fraternal and heartfelt sympathy in his passing.

Herbert Bayard Swope, former executive editor, *The New York World*: Mr. Oakes's long and useful life leaves the community in which he resided a gainer for his having lived there and a loser on his passing.

Clark Howell, editor of *The Atlanta Constitution*: Mr. Ochs-Oakes was distinguished as a publisher, serving long in that field. He was Mayor of Chattanooga, and held other leading civic positions. Retiring from the daily newspaper work, he assumed the editorship of *CURRENT HISTORY*, one of *The New York Times* auxiliaries, and made it the leading historical digest and commentary of this country. His was an attractive personality, a fine spirit of civism and a heart patriotically concerned for and devoted to the welfare of the American people. *The Constitution* joins in doing honor to his record of splendid public services and in adding its sympathetic condolence to the myriad from other sources that will be tendered to his bereaved family.

John Jacob Astor, chairman of *The London Times*: Deep sympathy from myself and the staff of the *Times*.

Paul Block, publisher: Those who knew George W. Ochs-Oakes will miss him, including myself, for he was a fine gentleman.

Louis Ullstein, director, Ullstein Press Service, Berlin: We wish to express our sincere sorrow at this painful loss.

Homage of a Liberal Scholar

Harry Elmer Barnes, historian and educator, writing in *The New York World-Telegram*: Public education in the United States, adult and otherwise, owes a real debt to the late George Washington Ochs-Oakes. * * * It took an able layman to do such a job as his, for our professional historians have directed their attention to events long antedating our generation. * * * Indeed, many of the most eminent of these academicians held that what happened since Jan. 1, 1870, was not history at all. Mr. Oakes knocked this deadly illusion into a cocked hat. When he died he had on his permanent staff some of the most reputable of our university professors of history. They were permanently branded with allegiance to the sensible notion that one could write history about the last fifty years or about the last five weeks. Another important contribution made by Mr. Oakes was his acceptance of the view that history means something besides wars, diplomatic intrigues and political campaigns. He showed remarkable catholicity of viewpoint. His notion of current "history" included recent developments in crime, religion, divorce, the family, birth control, population and a host of other important modern social problems. In the ten years that I knew Mr. Oakes I was most impressed by his editorial initiative and his tolerance. He was personally a conservative in politics, highly sound in economic views, devout in religion, austere in morals, patriotic to an intense degree, and so fierce in his devotion to the war against Germany that he changed his German name. Yet he presented a most amazing example of the most essential quality of a great editor—ability to prevent his personal preju-

dices from frustrating the dictates of sound journalistic sense as to what is important and interesting. When they had something to say which was timely and competent, political insurgents,

Communists, agnostics, birth controllers, advocates of easy divorce, pacifists and revisionist students of war guilt were given full access to the pages of *CURRENT HISTORY*. What is more, he went out of his way to invite them to contribute. This not only made his magazine relevant and lively, but proved his underlying tolerance. It is no tribute to the tolerance of an editor to publish views, no matter how radical, to which he heartily subscribes. * * * Mr. Oakes's greatest contribution was his initiative in popularizing the facts about responsibility for the World War. * * * It took real nerve to do such a thing in the Spring of 1924. Many of the most intelligent students of world affairs follow Mr. Borah in believing that world peace can come only as a result of revising the post-war treaties. These treaties rest upon the thesis of German war guilt. Mr. Oakes did more than any other American to enable the American people to realize the fallacy of this dogma. In my humble opinion he was deserving of the Nobel Peace Prize.

Edwin S. Friendly, *The New York Sun*: I sincerely regret the unexpected death of Mr. Ochs-Oakes. He possessed a fine talent and ability for the work that interested him practically all his life. He was a personality obviously influenced by a keen intelligence and a cultured taste. He lived a useful life and will be remembered in admiration and affection by a host of friends.

Former Colleagues' Appreciations

Edwin L. Shuman, editorial staff, *The Literary Digest*: I had the privilege of working for seven years under Mr. Oakes while I was managing editor of *CURRENT HISTORY*; and during those years I learned not only to appreciate his many sterling qualities but also to esteem him as a personal friend. The world seems emptier now that he is gone.

J. W. Duffield: It was my privilege to serve for seven years on the staff of Mr. Oakes during his editorship of *CURRENT HISTORY* and the *Mid-Week Pictorial*. My admiration and affection

for him both as a man and as an employer grew steadily during that period. I shall always treasure his memory and mourn his loss.

Otto Kurth, art editor, *Liberty*: It was my good fortune to work many years under Mr. Oakes, and these years are among the happiest of my life. We of the old *Mid-Week Pictorial* staff knew Mr. Oakes not only as our employer but also as a warm friend in need, always just, always ready with good counsel.

John Black, editor, *The Textile World*: Mr. Oakes, my former chief

on CURRENT HISTORY, was a true-hearted, generous man, instinct with kindness, as I had many occasions to know. He possessed also rare editorial precepts.

James M. Bennett: I knew the big-ness of Mr. Oakes's heart by personal experience. During the time he was in charge of *The Philadelphia Public Ledger* I was a member of the editorial staff. Stricken with appendicitis, and without money, I returned prematurely from the hospital to my work as copy reader. I had not been at the desk more than twenty minutes when Mr. Ochs—as we knew him in those days—came up to me and put his hand on my shoulder and said: "Jim, you don't look well." I replied: "Oh, I'm all right." "Well," said he, "you aren't. You had better take a little more time off." I told him I didn't have any money for traveling expenses. "Never mind about that," said he, and he winked at me and nodded toward his office. I followed him in there and he insisted upon giving me a check. I accepted it, went to Atlantic City, and returned very much better.

J. Donald Adams, editor, *The New York Times Book Review*: I shall miss that friendly and kindly interest in the work of others which was characteristic of Mr. Oakes, and which won for him so much affection and regard.

Herbert Adams Gibbons, author: The passing of Mr. Oakes is a distinct loss to American journalism, especially in the international field. We have no other editor with so broad and objective a vision in dealing with international problems. Of him it could well be said: *Nihil humani mihi alienum puto.*

Adamantios Polyzoides, editor, *The Atlantis Greek Daily*: Sincerest regret over the loss of Mr. Ochs-Oakes,

whom I always held a dear and valuable friend.

Arnold Margolin, attorney, Boston: In the passing of Mr. Oakes I share in the common loss to CURRENT HISTORY and its readers, for he was the first person in America to start me on my journalistic work. For this reason I hold his memory especially dear.

George L. Berry, president, International Printing Pressmen and Assistants' Union: We have just learned with profound regret of the passing of Mr. Oakes and I hasten to transmit on behalf of the International Printing Pressmen and Assistants' Union of North America our deep sympathy. He was a great American and his contribution to cultural progress in this country stamped him as truly a genuine American.

George Gordon Battle: The death of George Washington Ochs-Oakes will cause deep grief to his many and devoted friends. He was a man with unusually warm human sympathies and interest. He showed a notable keenness and zest in all the relations of his life. He was always ready and willing to sympathize with and assist his friends, and, indeed, all with whom he came in contact. He espoused generously and efficiently many public movements of worth and value. He was particularly concerned with all matters that had to do with the Southern States and took a most patriotic interest in the history and traditions of the South. In addition to his regular occupations, in which he achieved distinction, his personal generosity of mind and heart endeared him to a very large circle who will deplore his loss. He was one of the most useful citizens of our community and his death will leave a vacancy which it will be difficult to fill. I regarded him as one of my dearest and most valued friends.

Tributes From Religious Leaders

Dr. James E. Freeman, Bishop of Washington, D. C.: I hasten to express my deep and understanding sympathy in the loss of Mr. Oakes. Shakespeare's "Our little life is rounded with a sleep" does not appeal to me. I like better Mr. Edison's strong conviction that beyond the limits of life, as we know it, there are limitless fields for our development.

Dr. Ernest Milmore Stires, Bishop of Long Island: I am distressed at the loss of so brave and able a man

as Mr. Oakes. He filled a large and important place.

Bishop Wilbur P. Thirkield, Methodist Episcopal Church: The memory of Mr. Oakes's radiant and winsome personality is a heritage that must abide.

Dr. Daniel A. Poling, president, International Society of Christian Endeavor; editor, *The Christian Herald*: Mr. Oakes's mind was one that challenged other minds to constructive thought. I knew him personally and admired him greatly.

Linley V. Gordon, secretary, American Committee on Religious Rights and Minorities: We are going to miss Mr. Oakes more than we can say. We had many conversations, particularly on the international situation and with reference to India, and he was a great help to us in our work.

The Rev. Arthur J. Brown, secretary emeritus, Board of Foreign Missions, Presbyterian Church in the U. S. A.: Mr. Oakes's life increased the intelligence and strengthened the moral forces of humanity.

Dr. Thomas S. McCallie, Pastor, Central Presbyterian Church, Chattanooga, Tenn.: Mr. Oakes made notable contribution to the worthwhileness of living for multitudes of friends.

The Salvation Army, Lieut. Col. Edward B. Underwood: On behalf of Commander Evangeline Booth, who is abroad at the present time, I hasten to convey assurances of her deepest sympathy and condolence over the death of Mr. Oakes.

Robert Underwood Johnson, director, Hall of Fame: Mr. Oakes's work is known to us all, and his passing is a real loss to his country.

David Wallerstein, attorney-at-law, Philadelphia: A number of years ago, while Mr. Oakes was head of *The Philadelphia Ledger*, there came to my knowledge an episode of his career, which I have not seen mentioned, which showed the kind of man he was. There was in progress at that time a contest for the office of Mayor of the city of Philadelphia, in which Mr. Oakes and the *Ledger* took a strong and determined stand. Pressure was brought to bear on him, involving the threat of large financial losses, to get him to cease his activities on behalf of one of the candidates. He never swerved for a minute.

New York Committee of the National Jewish Hospital at Denver, Ben Altheimer, Samuel D. Levy, Paul Felix Warburg: The committee has learned with regret the sad news of the passing of Mr. Ochs-Oakes.

George Peabody College for Teachers, R. B. Binnion, provost, Nashville, Tenn: Our hearts are heavy in sorrow upon the news of the passing of Mr. Oakes. He was my dear friend, with a sympathy and understanding of the South and Southern problems rare among men. Tens of thousands will be lonelier now that he has gone. Peabody College for Teachers especially desires to express its profound regret in these hours.

Charles E. Farris, vice president, the Tennessee Society in New York: As a fellow-Tennessean and as a friend I knew Mr. Oakes for fifteen years. He stood the test in everything worth while. As president of the Tennessee Society he was responsible for a new spirit in the organization, and it was an inspiration to work with him. In the hearts of Tennesseans and of his friends everywhere his place can never be filled, and I personally feel a real sorrow and a great loss in his passing.

Columbia University Alumni Fund Committee, Floyd Y. Keeler, chairman: We are deeply grieved to learn of the sudden and untimely death of Mr. Oakes. All the members of the Alumni Fund Committee of Columbia University looked forward to closer association during the coming year with him, as he was elected early this year to membership on the committee representing the graduate schools. The entire committee individually wish to express through me their heartfelt regret.

Mr. Oakes's Chattanooga Record

E. D. Bass, Mayor of Chattanooga: The death of the Hon. George Ochs-Oakes comes as a distinct shock to Chattanooga. While he had been away from us for many years, Chattanooga has always regarded him as her own, just as we regard other members of his distinguished family, and we feel our city has sustained a great loss in his death. He served this city as Mayor with distinction and during his residence here was always active in all things that benefited this community. The recollection of his service and his splendid personality will long be warm in the hearts of our citizenship. We mourn with the family be-

cause of their loss and our loss. Every true son and daughter of Chattanooga shares in this sorrow. The Hon. George Ochs-Oakes was tried in high office and was faithful. He was cast in that finer mold of ambition that makes men big. He rests in honor and the city that honored him will mourn his passing.

W. E. Brock, former United States Senator from Tennessee: Chattanooga lost one of her most distinguished, useful and beloved citizens when George W. Ochs-Oakes left us years ago for a greater field of usefulness. As a citizen and as our Mayor his unselfish and far-sighted vision for those whom he

loved was so sound and lasting that Chattanooga today continues to reap the benefits of his leadership. Few citizens who have been away as long as he has could have held the love, admiration and respect Chattanooga holds for this distinguished citizen whom we claim as our own. The great city of New York and the public at large owe him a debt for the contribution he has made to his country in making it a better place in which to live. He had a marked influence for good on all with whom he came in contact, and his stand on civic, economic and moral problems was seldom questioned. His whole life has been an open book and was such that no one could question his motives. He was a statesman and had a love for service to his fellow-men and to his country. No greater legacy could be left his children than the life of this great and good man.

T. C. Thompson, former Mayor of Chattanooga: I am shocked and grieved to learn of the sudden death of George Ochs-Oakes in New York. I first came to know Mr. Oakes when he was Mayor of Chattanooga. An acquaintance at that time soon ripened into friendship which has lasted through the years. A graduate of the University of Tennessee, he cultivated a liberal education, becoming a forceful speaker, a charming companion and an unusual executive. George Ochs had the happy faculty of making and holding friends. His various speeches made at the time of the dedication of Chickamauga Park are perfect gems of expression. I am more deeply grieved than I can express at the loss of a man whom I so warmly loved and admired; a man who wielded a large influence, and that influence was always for the betterment of his fellow-man. I extend my deepest sympathy to his co-workers on *The Chattanooga Times*, *The New York Times* and *CURRENT HISTORY*. This magazine will ever stand as a monument to his untiring efforts to bring the world to a peace basis. I have no words with which to express my sympathy for his brothers and sisters and his splendid boys.

Jesse T. Hill, former Mayor of Chattanooga: The sudden passing of George W. Ochs-Oakes causes me untold sorrow. He was one of the younger Mayors of Chattanooga who brought to completion many needed reforms. His was a progressive administration. He was an honor to the city, not only by his administration as Mayor, but for his grace, public spirit, enterprise and charities. He

was ever ready to do his part. I do not believe he had an enemy in this community and regret that he found it to his interest to remove his residence from our city. Our personal friendship will ever remain a cherished memory.

Alexander W. Chambliss, Associate Justice of the Supreme Court of Tennessee and a former Mayor of Chattanooga: While for many years now Mr. Ochs-Oakes has resided, first in Philadelphia and later in New York City, devoting his fine talents chiefly to these fields, I am one of a comparatively few among us here who knew him as a foremost citizen of Chattanooga, giving to our city a constant and splendid service. As active head of *The Chattanooga Times*, where he occupied a position of great usefulness, and as Mayor of the city for two terms, he made an enviable civic record. Our City Government was put on a high plane under his leadership—economical, honest and progressive. His personal and official conduct was above all question. Serving for a nominal compensation in this difficult public office, he put the best that was in him—and that best was of the highest order—into the service of this city which he loved and of which he was proud. He was one of my few close and intimate friends through all the years since first we came together shortly after I made Chattanooga my home. Our country has lost a thoughtful and honorable and useful leader and I a devoted friend. This city honors him and laments his passing.

W. L. Frierson, former Mayor of Chattanooga: I knew George Ochs from the time I came to Chattanooga in 1890. I knew him well during his term as Mayor and the city never had a more faithful and honest Mayor than he. He was a man of culture and high standards and a good citizen.

Will Cummings, County Judge, Chattanooga, Tenn.: In the passing of Mr. Ochs-Oakes the entire city of Chattanooga sustains a great loss, but the memory of his loyalty and civic pride in the home of his young manhood leaves a rich heritage to the present youth of Hamilton County. The sorrow we feel is hallowed by the memory of his service. May that memory be an inspiration to those with whom he has been associated and encourage them bravely to carry on.

W. M. Nixon, Chattanooga, Tenn.: My memory runs back almost sixty years when young George Ochs in his

cadet uniform appeared on the streets here as cub reporter of *The Chattanooga Times*. He was always a success, in business, professional or official life. As Mayor of Chattanooga, he instituted outstanding reforms in city administration. He was magnetic with people of all classes, and had no enemies that I ever heard of.

Nora Crimmins, Librarian, Chattanooga Public Library: To Mr. Oakes the Chattanooga Public Library owes a deep debt of gratitude for the success of its beginning.

The Chattanooga Times (Editorial): News of the sudden death of George Washington Ochs-Oakes in New York yesterday afternoon has been received with profound regret in this community. For although Mr. Ochs-Oakes left Chattanooga more than thirty years ago to make his home in the East, he was widely and affectionately remembered in this city, with which he kept in contact by frequent visits. For twenty years, from 1880 to 1900, Mr. Ochs-Oakes was identified with the life of Chattanooga, in whose affairs he took a lively and constructive interest. During his residence here he was connected with *The Chattanooga Times*, successively as reporter, city editor, night editor and managing editor, and, after 1896, when his brother, Adolph S. Ochs, bought *The New York Times*, he became publisher of *The Chattanooga Times*,

managing the property until 1900. Between 1894 and 1897 Mr. Ochs-Oakes served two terms as Mayor of Chattanooga and was at the time of his death one of only five surviving ex-Mayors of the city. Twice he was sent as a delegate to Democratic National Conventions. He also served as President of the Chattanooga Chamber of Commerce and as President of the Board of Education, and was one of the founders of the Chattanooga Public Library Association. Into the broader field of opportunity to which he went upon leaving Chattanooga, Mr. Ochs-Oakes carried the same energy and qualities of mind and heart that had made him a highly useful and popular citizen of this community. His services elsewhere culminated in his work as editor of *CURRENT HISTORY*, which became, under his guidance, an outstanding publication, unique in the magazine field. Throughout his life Mr. Ochs-Oakes was a friend of education and carried on the process of his own education until the end. Having attended the University of Tennessee in his youth, he pursued his studies informally in many directions and only recently completed at Columbia University a course leading to the Ph. D. degree. Personally, Mr. Ochs-Oakes was gentle of manner and possessed of a charming personality, a man who had the gift of making and holding friends.

The Civitan Club's Loss

James Nelson MacLean, president Civitan Club of New York: The devotion of Mr. Ochs-Oakes to public service and to his family ended but twenty-four hours short of threescore years and ten. He held the Civitan Club of New York in close affinity with his everyday life. Since his election as president in 1923 he gave a major portion of his time for three years to the advancement of the ideals of the club; and when he laid down his gavel as president the club unanimously elected him as life honorary president, and in that rôle he gave studied application to important civic affairs undertaken by the club, and appeared on the public platform and broadcast on numberless occasions on the subject of better citizenship. He enrolled as a Civitan, as he said, "because it is so characteristically American, so unselfishly patriotic, dedicated solely toward making men better and happier and making the world a better place to live in."

The warmth and glow of his friendliness has enriched the lives of many. In the midst of his labors he always found time for a kindly deed, a pleasant word, a constructive thought. His counsel was sought and willingly given. He leaves with his friends and with all good citizens a heritage of work well done.

Thomas R. Preston, former president of the American Bankers' Association, Chattanooga: It was my privilege to know George W. Ochs-Oakes in prosperity and in adversity, in private and public life, and under all circumstances he was the same dependable, upstanding man. He had broad vision, was splendidly educated, had the rare faculty of keeping his equilibrium at all times, was a fine and loyal friend and his thousands of friends here grieve at his passing.

Theodore Geshkoff, former official in the Bulgarian Ministry of Foreign

Affairs: Bulgarian pacifists have lost a sincere friend in Mr. Oakes. In my days of voluntary exile I found in him a man with heart and understanding. My chief, the martyred Bulgarian Prime Minister, Alexander Stambulisky, had a very high esteem for the editor of *CURRENT HISTORY*.

Benjamin T. Butterworth, advertising manager, *The New York Times*: I knew Mr. Oakes for many years, and admired his ability and earnest sincerity. To me he was always genial, kindly and helpful, and I have always felt that in him the New York Times Company had one of its most brilliant minds.

The Broadway Association, New York City: The Broadway Association records its deep sorrow and sense of loss in the death of George Washington Ochs-Oakes, a distinguished editor and journalist. A man of wide intellectual interests, Mr. Oakes possessed a keen sense of the obligations of journalism to perform a public service by giving correct information to the people on all important questions. His ardent patriotism made him feel an intense concern for the welfare of his country, but he was no narrow patriot and his humanity made him a true citizen of the world.

Henry E. Armstrong, editorial writer, *The New York Times*: Mr. Oakes was ever vigorous, alert and vital.

O. B. Andrews Jr.: The grief of Mr. Oakes's passing is lightened by his remarkable career and personality,

his well-rounded life of brilliant attainment, and the indelible imprint he leaves upon his time.

Cleveland G. Allen: Negro writers have lost in Mr. Oakes a great and loyal friend who gave them every incentive to do creative work. The columns of *CURRENT HISTORY* were always open to them if they were capable.

James W. Brown, proprietor, *The Editor and Publisher*: Mr. Oakes's editorship of *CURRENT HISTORY* was in every way brilliant. His passing leaves an aching void.

Otis W. Caldwell, director, Institute of School Experimentation, Columbia University: May I express my keen appreciation of the splendid work done by Mr. Oakes in *CURRENT HISTORY*?

Edward H. Edwards, friend of newsboy days: George tried, through William G. McAdoo, then Secretary of the Treasury, to get into the army during the World War. His age, then 56, prevented the fulfillment of his desire, but his patriotism was unbounded.

Will H. Hays, president, Motion Picture Producers and Distributors of America: My deepest sympathy.

Darwin P. Kingsley, president, New York Life Insurance Company: Away back in the days of trouble, when Mr. Oakes was devoting a great deal of his time to a paper in Philadelphia, he said some kindly things about me, notwithstanding the fact that I was a life insurance man. I remember him with great pleasure.

An Interesting Reminiscence

Lee Langley, secretary, Chattanooga Lookout Mountain Scenic Highway Association: Many people who knew George W. Ochs-Oakes will speak in praise of his fine abilities and noble character, but the half will never be told. * * * Not one ever influenced my life as he did. I met him when I was a likely newspaper cub, 17 years old. I was said to have some ability, but it was spotty and erratic. I didn't care. I was as wild as a mountain goat and having a lot of fun. * * * Mr. Oakes said to me: "I would like to keep you on the *Tradesman* if you are willing to do the work necessary to make a place for yourself and take the hard knocks that attend success. I will start you on a nominal salary and set aside some shares in the *Tradesman* company for you which you can have when you earn them. My idea is if you are worthy of it to some day put you in charge of the

Tradesman property. But bear this in mind: every boy starting in life must make his own place in the business or professional world. Nobody is going to make a place worth having and hand it over to you or anybody else. It is hard for anybody to make a worth while place in this world, and when he makes one he is not going to turn it over to any irresponsible or ne'er-do-well. You may hang around the ragged edges of somebody else's business all your life and live on scraps and left-overs, or you can create your own business and distribute scraps and left-overs to others who are unwilling to do the work that success demands and take the gaff when failure threatens. You have read in copybooks that 'Man is the architect of his own fortune,' and while the fellow who wrote that was likely enough a failure, he staggered upon a great truth. It is all up to you, and

so far as I may be a party to the transaction I will do more than my share to give you your chance." I did not pan out, but I have never forgotten that conversation. I thought Mr. Oakes was the kindest and noblest human being I had ever met. I think so yet. The words have steadied me many times when I was faltering. I have repeated them to hundreds of boys and girls.

Phillip C. Nash, director, The League of Nations Association: I have the greatest respect for the way in which Mr. Oakes built up *CURRENT HISTORY* during the last few years. My sincere sympathy on his passing.

Alfred C. Howell, vice president, Guaranty Trust Company of New York: Most of the officers and many of the employes of this office have known Mr. Oakes and his death is a great shock and sorrow to us all.

George V. W. Ingham of Ames, Emmerich & Co., New York City: For several years I had the rare good fortune to play golf with Mr. Oakes. Men learn to know each other on the links in a most intimate personal way. I shall miss his genial companionship and friendship, both of which I valued among my richest possessions. He was always a gentleman, with the rarest of personal charm * * * a kindly man with a heart of gold.

George F. Kunz, United States Delegate to International Congress, Paris, 1900: I had the pleasure of knowing Mr. Oakes more than thirty years. We saw a good deal of each other during the Paris Exposition in 1900, at which

time we crossed swords, although he was thoroughly square in spite of the fact that some of our American friends tried to use him. We both cleared up the situation and after that were better friends than ever.

Rabbi Isaac Landman, editor, *The American Hebrew*: In spirit Mr. Oakes was my brother, and in acts my friend.

Walter Littlefield, editorial staff, *The New York Times*: I shall sorely miss my conversations with Mr. Oakes—his enthusiasm, his humor and his contagious activity. In addition, he was a marvelous letter-writer. There was never a note I sent him—however trivial the occasion—that did not bring from him an immediate and often superlatively entertaining response. His letters are among my epistolary treasures.

United Daughters of the Confederacy, Mary Mildred Sullivan Chapter, Mount Vernon, N. Y.: Mr. Oakes's valuable services will be deeply missed in all Southern activities.

L. O. Morny, business manager, *The Annalist*: Those of us on the staff of *The New York Times* who were privileged to know Mr. Oakes found in our contacts with him a kindly and ever generous spirit, and an enthusiasm and conviction always helpful and inspiring.

Mrs. F. G. Merson, President, Yates County W. C. T. U., Keuka Park, N. Y.: Mr. Oakes was a good friend of Prohibition. I prize greatly a letter I have from him on the subject. I judge he had time for kindness.

Mr. Oakes's Public Services

National Security League, Lieut. Gen. Robert Lee Bullard, President: The nation has lost a distinguished citizen and the National Security League a staunch supporter of its various activities. Mr. Oakes was ever ready to render service and leaves a lasting impression on the minds of the people in all parts of the United States who were accustomed to hearing his voice over the radio on most important matters pertaining to the welfare and security of our country.

Major General James G. Harbord, United States Army: Mrs. Harbord and I send our warmest sympathy for the loss of Mr. Oakes.

New York State Women's Committee for Law Enforcement: New York City has lost a man of high integrity and an American of great loyalty.

The Publishers Association, New York City: Mr. Oakes was loyal to the highest ideals of journalism. As editor of *CURRENT HISTORY* he stood for the impartial, frank and authoritative discussion of all public questions. He brought to the discharge of his editorial duties a strong patriotism, a broad interest in the affairs of mankind, and a love of truth.

Quality Magazines (*Atlantic Monthly*, *CURRENT HISTORY*, *Harper's*, *Scribner's*), Carroll B. Merritt, Chairman: The death of Mr. Oakes is a great loss.

McIlroy Hope: I recall Mr. Oakes's gracious hospitality and kindness to me when I was a student in Philadelphia, but more to me than those happy memories are my contacts with him in recent years, since I lost my father.

In time of perplexity and doubt I could always regain hope and strength and courage after a talk with Mr. Oakes.

Michael B. Scheler: With the departure of Mr. Oakes, the profession of journalism sustains a serious blow and an irretrievable loss. The movement for clean journalism loses an indefatigable fighter, and the upright journalist a sympathetic friend.

Rabbi Nathan Krass, Congregation Emanu-El, New York City: Please accept my sincere sympathy. Your loss was a great shock to me.

Othon G. Guerlac, Professor of French, Cornell University: I had great respect for Mr. Oakes's ability as editor of his magazine, and I appreciated his courtesy in his relations with his contributors.

Henry Hurwitz, editor, *The Menorah Journal*: The loss of the editor of *CURRENT HISTORY* is a loss to American journalism as a whole, for *CURRENT HISTORY* is among the most important and interesting of American publications. I trust that Mr. Oakes's successor will be inspired to carry on in his fine tradition.

United States Lines, Charles Speaks, Advertising Manager: Mr. Oakes was very much interested in the development of the American merchant marine. On behalf of the United States Lines I wish to extend my sincere condolences for the loss occasioned by his death.

Miss C. E. Mason, principal, Miss Mason's School, Tarrytown, N. Y.: So often when interested in meetings called in behalf of good movements Mr. George Washington Ochs-Oakes was there—so poised, always so ready and willing to serve causes, great or small, if only they were for the good

of mankind or for the progress of our national life. As a Tennessean, I am proud of what he was and what he accomplished.

Frank L. Nelson, *The Philadelphia Public Ledger*: In close association with Mr. Ochs-Oakes in the trying days of 1916-17, I conceived a high regard for his patriotism and a very great affection for him as a man and a considerate employer.

Charles F. Thwing, President Emeritus, Western Reserve University: I sorrow with you all who were so intimately associated with Mr. Oakes. It ever seemed to me that he had that primary element in a great editor, considerateness—both in the intellectual and in the emotional sense.

Charles A. Oberwager: The death of Mr. Ochs-Oakes is a deep personal sorrow and grief to me. I have had the honor, distinction and pleasure of meeting him numerous times at various important functions and occasions and I learned to admire and love his simplicity, frankness and fearlessness. His fine qualities captivated me and his personality wove a magic spell over me. There was something romantic, something adventurous about him. He worked for and dreamed of America's glory, and, though he is dead, his spirit will ever live. Now that his voice is hushed in death and his pen has fallen from his hand, the fields are desolate and the skies are dreary.

Frederic A. Ogg, Professor of Political Science, University of Wisconsin: As editor of *CURRENT HISTORY*, Mr. Oakes had not only built up a magazine of the highest grade but had provided an unmatched instrumentality for the instruction both of college students and the general public in public affairs in all fields.

Recalling a Notable Address on Religious Liberty

George W. Chamlee, formerly Attorney General of Tennessee: The death of George W. Ochs-Oakes was a shock to many friends in Chattanooga and especially to those who knew him intimately when he was elected Mayor of Chattanooga. The first vote I ever cast was for him for Mayor of Chattanooga, and there developed a warm personal friendship between us while he lived here. As Mayor he was progressive and insisted upon paving our main streets and developing our sewer systems on a large scale.

The first auditorium that Chattanooga ever had was built on Ninth

Street. The auditorium was dedicated and the great organization known as the Baptist Young People's Union of America held its convention in this auditorium as its first meeting in Tennessee. I was president of the Chattanooga union at the time and chairman of the ushers' committee, and when the address of welcome of Mr. Oakes as Mayor was delivered it so electrified that great convention, which filled the auditorium to capacity, that when his speech was over the convention applauded and paid him a wonderful tribute.

A Chicago paper, commenting on

this convention and referring to the address of Mr. Oakes, said: "One of the happiest features of our great gatherings has been the interest taken in the movement by public-spirited citizens of the cities in which we have met and put into form by their official representatives. It has been a goodly line of representative men who have spoken to us in that capacity, but never before have we listened to so eloquent, so well informed, so happily conceived and so altogether admirable an address as that presented by Mayor George W. Ochs, who is also manager of *The Chattanooga Times*. The address referred to follows:

"It is a happy privilege to appear for Chattanooga on this occasion, to extend welcome to this distinguished body; our citizens are pleased to entertain a society such as this, which represents the highest type of our civilization, and in behalf of the municipality I extend a hearty greeting and a sincere and cordial welcome. The enthusiasm felt since the news was first flashed to Chattanooga that this great army of religious workers had chosen our city as their place of meeting, now swells forth in throbbing heartbeats, distinct with a warm, generous and genuine hospitality which pervades our entire citizenship.

"There is something so peculiarly American in the Baptist church that it appeals with especial force to the patriot. The church typifies liberty in its purest sense; liberty of soul, liberty of thought, liberty of action, liberty of conscience, the total separation of church and State, the absolute inde-

pendence of each separate church organization. It unites the jealous guardianship of sacred teachings of Scripture with an equally vigilant watchfulness of the priceless jewels of liberty. In the formation of our national Constitution it was the Baptist church that stood inflexibly for full religious freedom, never receding from that position until victory was won.

"It was a Baptist pioneer who, in the dawn of our nation's history, first lighted the torch of religious liberty; he held it aloft, proclaiming that civil magistrates had no right to coerce the conscience of men; that the ritualism and formalism of a State church were obnoxious to soul and liberty, that man's responsibility in religious matters was to God alone, and in spite of persecution, contumely and indignities he persevered and the sparks which showered from that blaze kindled by Roger Williams lighted the fires which hastened our fundamental laws and perpetuated the principles which underlie the whole superstructure of our free institutions.

"Our hearts, our hands, our homes are yours, given freely and ungrudgingly and when you go hence you carry from us what is best to give, our prayers, our earnest godspeed and our hopes for an early return.

"May God's spirit rest upon your deliberations, may He inspire your councils with wisdom, and may your recollections of our city be such a pleasurable reminiscence that 'Chattanooga, '97' will mark the beginning of the new era of your growth and influence."

The editorial staff of CURRENT HISTORY regrets that limitations of space prevent the printing of a large number of other expressions of sympathy and appreciation. These, however, will be included in a memorial volume.

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"So far this month I have had checks for \$50.65, which includes \$12.75 for my writing as correspondent for the weekly paper. I have had many compliments on the latter from people who read the paper."—Mrs. Edith J. Tilton, R. F. D. 2, Box 34, Ashton, Ill.



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BOOKS OF THE MONTH

The Epic of America

By DAVID S. MUZZEY

Professor of History, Columbia University

THE EPIC OF AMERICA. By James Truslow Adams. Illustrated by M. J. Gallagher. Boston: Little, Brown & Co., 1931. Pp. 417. \$4.

ALTHOUGH the red, white and very pale blue jacket on Mr. Adams's book shows the American eagle soaring above mountain, lake and pine, there is nothing to suggest spread-eagledism in the text. A more fitting symbol would have been a figure like Rodin's *Le Penseur*, held under the spell of "the American dream of a better, richer and happier life for all our citizens of every rank," while contemplating the heterogeneous procession of American types that have passed across the stage of our history. For Mr. Adams is the *penseur*, and "the American dream" is the ever-recurring motif of his book. He announces it in the preface, and on the last page he declares that the failure to realize it will mean the failure of self-government and of all that it "has held of hope and promise for mankind." Perhaps the persistent note of idealism, the confession that the epic would lose all its glory and "the statistics of size, population and wealth would mean nothing to me unless I could still believe in the dream," will sound a bit strange to those who have regarded Mr. Adams as an unsparingly realistic (and even cynical) critic of American democracy. But there is no inconsistency here. Complacent blindness to our faults and boastful pride in legendary achievements serve only to obscure the ideal.

Mr. Adams had already shown in his brilliant trilogy on the development of New England from its founding to the middle of the nineteenth century, in his delightful history of *The Adams Family*—not related to his own—in his keen analysis of *Our Business Civilization*, and in many thought-provoking magazine articles, the qualities of industry, scholarship and style which fitted him so admirably for this difficult task of presenting a synthesis of American life from the Aztecs to Al Smith in a single volume.

An epic is the story of the adventures of

heroes, told in stately meters. Mr. Adams writes in straightforward prose, and his heroes are not the indomitable early settlers, nor the Revolutionary fathers, nor the pioneers of the great western wilderness, nor the captains of industry and commerce, but—a dream and a river. So the book is not an epic at all, says Laurence Stallings in an ironic review in the *New York Sun*, but just a dull, commonplace short history of America, "filled with dates" and reading "much as those histories read in the days when one was forced to read them in order to maintain the academic standard required for football players." To which it may be replied that probably many football players would agree with Mr. Stallings.

If the "richer" life envisaged in the American dream has been slow of development, the other hero of the epic knows the reason why:

"Ol' Man River," who "don't say nothin', but just keeps rollin' along." Had the Pacific Ocean washed the western foothills of the Alleghanies, America might have settled down to cultural as well as a political status not unlike the English prototype. Mr. Adams sees the indications of such a destiny in the seaboard culture of the mid-eighteenth century. Benjamin Franklin was writing then that the first drudgery of the settlement of the new country was over and that there were now men in all the Colonies ready and

able to devote themselves to the cultivation of the arts and sciences. But the "drudgery" had just begun. The lands across the mountains were calling to the spirit of freedom, adventure and gain. The "western waters" were floating men further and further into the wilderness, where the rude exigencies of the struggle with the forests and the Indians left no margin of wealth and leisure for the culture of the humanities. It was by the successive frontiers that American life was molded; it was in the great domain of "Ol' Man River" that America was made. "Europe extends to the Alleghanies," wrote Emerson; "America lies beyond." Had the frontier been closed in 1790 instead of in 1890, there would

REVIEWS IN THIS ISSUE

THE EPIC OF AMERICA

By David S. Muzzey

THE BROWN DECADES

By John Chamberlain

LIBERALISM IN MEXICO

By Ernest H. Gruening

THE COLLAPSE OF THE AUSTRO-HUNGARIAN EMPIRE

By Lloyd W. Eshleman

AMERICA WEIGHS HER GOLD

By Russell D. Kilborne

SOVIET ECONOMIC POLICY

By Calvin B. Hoover

THE INTERNATIONAL CITY OF TANGIER

By John E. Whitton

Continued on Page VI

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Continued from Page IV

have been not an epic but a pastoral.

Aside from his constant emphasis—one is almost tempted to say "harping"—on these two dominant themes of the dream and the river, Mr. Adams has no new or startling thesis to advance. His treatment of the social forces beneath the political history of the American Revolution, for example, adds nothing to what we are already familiar with from Professor Jameson's study; his interpretation of the Civil War as a struggle between two irreconcilable economic and social systems is the generally accepted one, his description of "the age of the dinosaurs" is rather tame and colorless as compared with the Beards' scathing chapters on the malefactors of great wealth. His only challenge, as far as I have discovered, to statements of fact as they generally appear in "orthodox" history texts is the mild protest that he does "not find any expression in American public opinion of the day to warrant the belief that the expulsion of France had anything to do with the subsequent war with England." But Mr. Adams will find ample warrant for the belief in John Adams's remark eight years before the Treaty of Paris, that our independence only waited on the removal of "the troublesome Gallicks," as well as in similar expressions of Benjamin Franklin.

A few errors of fact escaped the careful eye of Professor Allan Nevins in reading the manuscript, but the best of books, in which category Mr. Adams's *Epic* deserves a place, cannot escape an occasional lapse into the proverbial failing of human beings.

The Brown Decades

By JOHN CHAMBERLAIN

THE BROWN DECADES: 1865-95. A Study of the Arts in America. By Lewis Mumford. New York: Harcourt, Brace & Co. 1931. Pp. 266. \$3.

THE age following the Civil War in America has brought down upon itself a plethora of tags, few of them complimentary. For every harmless designation such as "the age of innocence," it has earned at least five of opprobrium. Vernon Parrington, after investigating the lives of Jay Cooke and General Grant, who was a child in the hands of financial manipulators, called it patly "the great barbecue." "The gilded age," the "age of hate," the "tragic era," the time of the "pragmatic acquiescence"—all these, and more phrases like them, have attempted to concentrate in capsule form the rawness, the rapacity, the insulation against humane values, that were concomitants of the growth of the

Continued on Page 479



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Continued from Page 484

Soviet Union which he is convinced are being carried on in these countries. He cites the "evidence" brought out in the treason trials in Moscow of interventionist activity in France. He concludes, however, that since some of the powers are dependent upon the Soviet Union for raw materials and because the capitalistic countries are hampered by their own antagonisms, it has been difficult to organize a united front against the Soviets.

One section of his report concludes with the following passage: "When we speak of the unavailability of the co-existence, during a certain historical period, of two social systems incompatible in principle, the capitalist and the Socialist systems, then we draw our own conclusions from this. We are aware, at the same time, that the bourgeoisie, too, is drawing its own conclusions. The result of our conclusions is that we must make a maximum use of the above-mentioned historical period for the purpose of insuring the victory of our system."

The International City of Tangier

By JOHN B. WHITTON

Professor of International Relations, Princeton University

THE INTERNATIONAL CITY OF TANGIER. By Graham H. Stuart. Stanford University: Stanford University Press, 1931. Pp. 224. \$4.

THIS is a most interesting, although not profound, study of that "vortex of international cross currents" which, tiny geographically but gigantic in its relation to world peace, was closely connected with the play for ultimate control of Morocco. And this was a "play the moves and counter-moves of which had much to do with provoking ultimately the catastrophe of 1914." The author's aim was to "consider the entire problem presented by Tangier, perhaps the oldest and most difficult problem of international administration," and particularly to explore the situation from the standpoints of geography, history and diplomacy. Although the geographical situation is given rather brief attention, the history and diplomacy of the zone are reviewed with admirable clarity and perfect objectivity. In fact the author appears to be most at home in the field of diplomatic history. Finally, the present government and administration of Tangier are analyzed.

The student of international organization misses a critical analysis of Tangier as an experiment in international administration, and in particular a comparison of it with other similar experiments, as well as with the League of Nations mandates. The author gives us little light in this matter, although his re-

view of the local administration and government is admirable. Some consideration of Tangier as an example of the international anarchy of the time would have been useful for the student of the basic causes of war. Furthermore, we would have preferred to find a more extensive development of the author's conclusions. Of particular interest to Americans is the contention that the United States is wise in remaining aloof from the Tangier settlement, although from 1797 to the World War we took an active part in the evolution of the problem.

The key to the history of Tangier is found in its strategic position: it dominates the entrance to the Mediterranean, the principal water route between Northern Europe and Asia. It has been dominated, in turn, by Rome, the Arabs, the Portuguese, Spain, Portugal again, England, and then went back to the Berbers. The most important date in its history was 1713, when Great Britain acquired Gibraltar, for never since has she tolerated the acquisition of Tangier by a strong power. In 1871 the United States had a chance to obtain a protectorate over Morocco, but "we had no impulse to indulge in imperialistic expansion at this time."

The struggle for Morocco became particularly intense after 1900, and the relation of Tangier to this fight is traced from the Conference of Madrid in 1880 down through the story of the question of native "protection," a weapon for gaining diplomatic and political advantage; the history of the Sanitary Council, a unique experiment in international administration; the Entente Cordiale of 1904 and France's gradual penetration in Morocco; the opposition of Germany, first coming to a head when the Kaiser landed at Tangier in 1905, a dangerous incident which led to the Conference of the Algeiras, in which Roosevelt played an important part and Germany was outmanoeuvred, and finally the Agadir incident in 1911 and the consequent buying off of Germany with a slice of the French Congo. Finally France acquired a protectorate over Morocco, but with certain restrictions which she rid herself of only after the World War.

Tangier, however, retained all this time a special position, due above all to England's determination to prevent its falling into the hands of a strong power. Spain has long been vitally interested in Tangier, considering it a natural adjunct. This stand appears reasonable when we consider the history of Spain and Morocco, the Moorish invasions, the centuries of Berber control in Spain, the racial mixtures and customs derived from them, and the crusades and conquests of the Spaniards in Africa. Furthermore, the Spanish peninsula is separated from Morocco by only

thirty-five miles of water. France, the first nation to establish a consulate in Morocco, had seized Algeria in 1839, and thereafter found herself with a long frontier wholly unprotected from Berber raids. In order to complete her colonial empire, it was natural that she should expand to the west. "The occupation of Tunis in 1880 only whetted her desires for a vast North African empire."

British policy in regard to Tangier was threefold: to strengthen her friendly position with the Sultan of Morocco, to build up trade by favorable commercial treaties and, above all, to stand between the Sultan and any European Government whose designs seemed to threaten Moorish independence. Germany first declared that she had no interests in Morocco, but after 1900, finding herself left out of consideration, suddenly entered the fight and demanded "compensations," some of which she obtained. Italy had her eyes fixed on Tunis rather than upon Tangier, but after the great war, when in 1923 the first statute was drawn up without her collaboration, she made a persistent fight for a share in the government in Tangier. When Mussolini came into power, Italy's demands became so strong that they had to be given satisfaction.

The peculiar status of the zone was first recognized in the secret accord between France and Spain in 1904. Its internationalization was due above all to the insistence of Great Britain, for, while the Conference of Algeiras did nothing to advance this status, later events, influenced largely by England, led to the conference of 1913-14, which drew up the first Tangier statute. This statute, because of the war, did not go into effect, but was the basis for the 1923 statute. When the war was over, the fight for the control of Tangier broke out anew, with the difference that it was confined to the allied powers. France wanted to establish a protectorate over it. Spain claimed that she should extend her sovereignty over Tangier. But Great Britain, her eyes still on Gibraltar, continued to insist on internationalization. This was finally brought about in a statute drawn up at the Conference of London in 1923, attended by France, Spain and England. Italy's request for representation was refused. Thereafter, despite the refusal of Italy and the United States to ratify the statute, it was declared effective in May, 1924. But without Italy the operation of the statute was bound to be incomplete, and great confusion resulted. Finally Spain veered over to Italy's views, and England likewise favored a reconsideration of the statute in order to give Italy a share in the government of the zone. A new conference opened in Paris in March, 1928, and this time Italy was represented, and so ably that practically all of her demands were met. In the

Continued on Page XII

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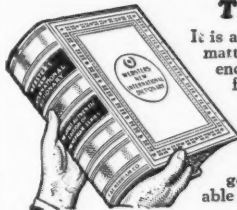
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Continued from Page XI

same year the Revised Statute went into effect, but the United States still held aloof from the settlement.

The Revised Statute, however, has not proved a success. This is in part the result of serious defects in the statute itself, and in part of rivalries and divided responsibility among the interested powers. The powers were so interested in safeguarding their own rights that they neglected fundamental rights of those most interested: the inhabitants of the zone. These inhabitants have little voice in their own government. Furthermore, they have been saddled with certain heavy debts which the author considers unjust. Their share of the customs receipts, too, he considers inequitable. In fact, Tangier finds itself "engulfed in a financial slough of despond." But "the great powers, having brought an international city into the world, ought to have assumed the responsibility of making reasonable provision for its nourishment." In short, the problem of Tangier, like so many international questions today, is predominantly economic, and the author sees no solution for it until economic self-sufficiency is effected for the zone.

BRIEF BOOK REVIEWS

THE EVOLUTION OF ENGLAND. By James A. Williamson. New York: Oxford University Press, 1931. Pp. 481. \$6.

Dr. Williamson's book begins with Roman Britain and follows chronologically each phase of England's evolution. Its distinguishing characteristic apart from the brilliancy of its style is its choice of those events which best project the central theme—the development of the social, industrial, economic and political life of the English people, the telling of which necessarily involves the salient facts of European history since the Renaissance. In dealing with the World War, the writer in a few paragraphs demolishes the fiction of Germany's sole responsibility. He concludes that the Versailles treaty contains faults which must be corrected if the world is to remain at peace.

GERMAN DIPLOMATIC DOCUMENTS, 1871-1914. Selected and translated by E. T. S. Dugdale. Vol. IV. *The Descent to the Abyss, 1911-1914.* With introductions by the Rt. Hon. Sir Malcolm Robertson and Admiral Sir Herbert Richmond. New York: Harper & Brothers, 1931. Pp. xxiv, 394. \$7.50.

This is the final volume of the series based upon *Die Grosse Politik der Europäischen Kabinette, 1871-1914: Sammlung der Diplomatischen Akten des Auswärtigen Amtes*, edited by Johannes Lepsius, Albrecht Mendelssohn-Bartholdy and Friedrich Thimme. The four volumes present a vivid picture of German diplomacy from the time of Bismarck to the

outbreak of the World War. According to Charles A. Beard, they are "absolutely indispensable to the study of European history between 1871 and 1914." A translation of the more important documents of the secret records of the German Foreign Office, they mirror faithfully the course of thought and action which eventually led to the debacle of 1918.

THE AMERICAN DEMOCRAT. By James Fenimore Cooper. With an introduction by H. L. Mencken. New York: Alfred A. Knopf, 1931. Pp. xx, 184. \$2.50.

When Cooper returned to America in 1833, after seven years abroad, he became a controversialist. He had already established himself as a great novelist—perhaps the equal of Scott—yet time and again he left his storytelling to fight out in the press and in the courts his own battles. He became personally unpopular among the masses, for he was outspoken in his condemnation of their shortcomings. He took to task his fellow countrymen who were pleased, as citizens of a democracy where all were free and equal, to encroach upon the privacy of his estate at Cooperstown. When it appeared necessary, he denounced American manners, customs and institutions. Easily aroused, proud, scornful of "levelers," by birth and position an aristocrat, Cooper was nevertheless a sincere and salutary critic of America. He saw its virtues, and defended them as vehemently as he attacked its vices. This reprint of his examination of democratic vulgarity, first published in 1833, is in many ways as apposite today as it was a century ago. Incidentally, it reveals a Cooper virtually unknown to those who are not professional students of American literature.

LABOR FACT BOOK. Prepared by Labor Research Association. New York: International Publishers, 1931. Pp. 222. \$2.

This little volume contains concrete and well-arranged information for the militant worker. The material resources of the United States and its imperialistic and capitalistic point of view are succinctly described in apparently incontrovertible tables and statements. The exploitation of industrial and agricultural workers in the nation is cited, not so much by means of bitter generalization as by statistics concerning present-day wages, costs of living and labor conditions. One section of the book is devoted to Labor's fight against what it feels are its enemies; not the least of these is the American Federation of Labor itself. Another chapter contains an account of what is called "The Employers' Offensive"; here company unions, employee stock ownership, group insurance and other general welfare schemes are denounced as devices calculated to keep the worker quiet. The Soviet Union, its Five-Year Plan and its future are described simply and sympathetically toward the end of the book, which closes with a brief denunciation of national government and party politics and a statement of the aims of the

Continued on Page XIV

STATEMENT OF THE OWNERSHIP, MANAGEMENT,
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OF AUG. 24, 1912, OF

Current History

Published monthly at Concord, New Hampshire, for Oct. 1, 1931, State of New York, County of New York, ss.: Before me, a notary public in and for the State and county aforesaid, personally appeared Adolph S. Ochs, who, having been duly sworn according to law, deposes and says that he is the publisher of CURRENT HISTORY, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of Aug. 24, 1912, embodied in Section 411, Postal Laws and Regulations, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business manager are:

Publisher—Adolph S. Ochs,
The Times, New York, N. Y.
Editor—George W. Ochs Oakes,
The Times, New York, N. Y.
Managing Editor—None.
Business Manager—Leonard Drew,
The Times, New York, N. Y.

2. That the owner is:
Owner—The New York Times Company.
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Adolph S. Ochs, majority and controlling stockholder, The Times, New York, N. Y.; Elisabeth Luther Cary, The Times, New York, N. Y.; Carr V. Van Anda, The Times, New York, N. Y.; Louis Wiley, The Times, New York, N. Y.; Emma V. and George Norris, Trustees of the Estate of John Norris, The Times, New York, N. Y.; Iphigene Ochs Sulzberger, The Times, New York, N. Y.; Effie Wise Ochs Trust, in trust for Effie Wise Ochs, The Times, New York, N. Y.; Julius Ochs Adler, The Times, New York, N. Y.; Arthur Hays Sulzberger, The Times, New York, N. Y.; George W. Ochs Oakes, The Times, New York, N. Y.; Jeanet E. L. Sullivan, 61 East 30th St., New York, N. Y.; John G. Agar, New Rochelle, N. Y.; Madge D. Miller, Pineapple Lane, Great Neck, L. I.; Hoyt Miller, Pineapple Lane, Great Neck, L. I.; Corporation of Yaddo, George F. Peabody, Pres.; A. G. Pardee, Sec., Saratoga Springs, N. Y.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

4. That the two paragraphs next above, giving the names of the owners, stockholders and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company, but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders, who do not appear upon the books of the company as trustee, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

ADOLPH S. OCHS, Publisher.

Sworn to and subscribed before me this first day of October, 1931.

ARNOLD SANCHEZ,

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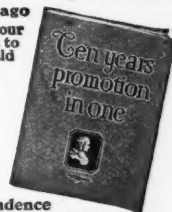
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Continued from Page XII

Communist party. Obviously propagandist, this volume is none the less informative, and is a measured catalogue of the Left Wing's complaints and the proposed remedies.

CONSCIENTIOUS OBJECTORS IN THE CIVIL WAR. By Edward Needles Wright. Philadelphia: University of Pennsylvania Press, 1931. Pp. 274. \$3.

Lincoln and Stanton, it seems, had their difficulties with conscientious objectors to military service in the Civil War; even more pressing was the question for the Confederacy, because of the lesser manpower in the South. At the centre of the protesting religious bodies, as in the World War, was the Quaker Church. The documentary record of the treatment of these early pacifists by the civil authorities shows considerable tolerance, and reveals Lincoln in his well-known spirit of forbearance. The military authorities themselves were often surprisingly liberal, and the worst treatment of objectors came from enlisted men. The concluding chapter offers a comparison of the position of conscientious objectors in the Civil War and in the World War.

THUNDER OVER EUROPE. By E. Alexander Powell. New York: Ives Washburn, 1931. \$3.

Colonel Powell's new book requires little further review than an indication of its contents. Here we have chapters on Hitlerism, the Polish Corridor, Italy, France, the Balkans, and four chapters on Soviet Russia, to say nothing of Lithuania, for good measure. In general, Colonel Powell's narrative of policies and events presents such familiar material as to leave little room for the argument which he avows himself desirous of advancing. The book, like others from his pen, contains much information for the general reader who seeks to know the main trends of current European politics, but it is presented in alarmist vein, and the value of Colonel Powell's facile judgments will be doubted by not a few students.

RECENT IMPORTANT BOOKS

By JAMES THAYER GEROULD

BIOGRAPHY

DAVENPORT, WALTER. *Power and Glory: The Life of Boies Penrose.* New York: G. P. Putnam's Sons, 1931. \$3.

An unvarnished account, without praise, defense or condemnation, of the kind of man the late Senator was.

GANDHI, MAHATMA. *Mahatma Gandhi at Work.* His Own Story Continued, edited by C. F. Andrews. London: Allen & Unwin, 1931. \$2.50.

A third volume of Gandhi's autobiography, dealing with his struggle to right the wrongs of the Indian community in the Transvaal.

GOLDMAN, EMMA. *Living My Life.* New York: Alfred A. Knopf, 1931. 2 vols. \$7.50.

Miss Goldman's autobiography, revealing the hidden springs of left wing radicalism in the United States, is an important contribution to social history.

HERGESHEIMER, JOSEPH. *Sheridan: a Military Narrative.* Boston: Houghton Mifflin Company, 1931. \$4.

Is concerned almost entirely with the history of Sheridan's campaigns, which are described and discussed in the finished style of the well known novelist.

MIKUSCH, DAGOBERT VON. *Mustapha Kemal: Between Asia and Europe.* Translated by John Linton. London: Heinemann, 1931. \$4.

The career of the Turkish statesman up to the Treaty of Lausanne in 1922. The years since have very sketchy treatment.

PALMER, FREDERICK. *Newton D. Baker: America at War.* New York: Dodd, Mead & Co., 1931. 2 vols. \$7.50.

Aside from those of General Pershing, these memoirs of the Secretary of War are the most important contribution to our knowledge of what actually went on during the fateful years from 1916 to 1920.

SCHUYLER, HAMILTON. *The Roeblings: a Century of Engineers, Bridge Builders and Industrialists. The Story of Three Generations of an Illustrious Family, 1831-1931.* Princeton: Princeton University Press, 1931. \$5.

The name of Roebling is almost synonymous with a great bridge. The Brooklyn, three others in Manhattan, the Bear Mountain, the George Washington, have all been the product of their firm.

ECONOMICS

COLLINS, CHARLES WALLACE. *Rural Banking Reform.* New York: The Macmillan Company, 1931. \$2.

Descriptive of the present organization and financial situation of the country banks and of the measures intended to put them on a more firm foundation.

The Course and Phases of the World Economic Depression: A Report Presented to the League of Nations. Geneva: League of Nations, 1931. (Boston: World Peace Foundation). \$3.

An exhaustive discussion of the present economic crisis, prepared under the direction of the Economic and Financial Section of the League, on the basis of reports coming from the European countries and the United States.

EDIE, LIONEL D. *The Banks and Property.* New York: Harper & Brothers, 1931. \$2.50.

Deals largely with central banking and its functions of the control of gold, of currency and of credit.

FIELD, FREDERICK V. *American Participation in the China Consortiums.* Chicago: University of Chicago Press, 1931. \$2.

A study prepared for the American Council of the Institute of Pacific Relations on the financial activities of the United States in China.

HISTORY

GRAVES, WILLIAM S. *America's Siberian Adventure, 1918-1920.* New York: Jonathan Cape and Harrison Smith, 1931. \$3.50.

The Major General in command of the expedition recounts the reasons for American intervention, its limits and difficulties, and his conflicts with the British, French and Japanese commands.

HICKS, JOHN DONALD. *The Populist Revolt: A History of the Farmers' Alliance and the*

People's Party. Minneapolis: University of Minnesota Press, 1931. \$4.

Although several of the most important planks in the Populist platform were later adopted by the conservative parties, they seemed in the '90s to be dangerously radical. This is decidedly the best history of the movement thus far available.

HULBERT, ARCHER BUTLER. *Forty-Niners: The Chronicle of the California Trail.* Boston: Little, Brown & Co., 1931. \$3.50.

Based on original narratives and illustrated with contemporary drawings, cartoons and maps, this record of an amazing period won *The Atlantic Monthly* prize of \$5,000.

PINKERTON, ROBERT E. *Hudson's Bay Company.* New York: Henry Holt & Co., 1931. \$3.50.

Two hundred and sixty-three years of trading in British America. While the author demolishes certain legends, he tells a story of heroic struggle and sturdy success.

RIPPY, J. FRED. *The Capitalists and Colombia.* (Studies in American Imperialism). New York: Vanguard Press, 1931. \$2.

No very pretty story, but interesting in its analogy to the situation in Manchuria.

THOMPSON, CHARLES WILLIS. *The Fiery Epoch, 1830-1877.* Indianapolis: Bobbs-Merrill Company, 1931. \$3.

In no sense a history of the period; rather an interpretation of it. A very readable book.

POLITICAL SCIENCE

WINGFIELD-STRATFORD, ESMÉ. *They That Take the Sword.* New York: William Morrow & Co., 1931. \$4.

A study of war as an instrument of national degeneration. A powerful plea for the peaceful settlement of international differences.

SOCIOLOGY

EMBREE, EDWIN R. *Brown America: the Story of a New Race.* New York: Viking Press, 1931. \$2.

The economic, political and cultural progress of the Negro since the time of slavery.

MACIVER, R. M. *Society: Its Structure and Changes.* New York: Ray Long and Richard R. Smith, Inc., 1931. \$5.

An interpretation of the influences which today are transforming the city, the family, the church and the economic order.

WUORINEN, JOHN H. *The Prohibition Experiment in Finland.* New York: Columbia University Press, 1931. \$3.50.

A report of a situation that parallels almost completely that in the United States.

MISCELLANEOUS

FRANK, WALDO. *America Hispana: A Portrait and a Prospect.* New York: Charles Scribner's Sons, 1931. \$3.50.

"The aim is not primarily to give facts or information. It is to create for the reader an image of the living organism about which the facts are recorded." Preface.

NORMANO, J. F. *The Struggle for South America: Economy and Ideology.* Boston: Houghton Mifflin Company, 1931. \$4.

A Brazilian scholar, resident in the United States, discusses the conflict between English, Continental and North American ideals and economy in Latin America.

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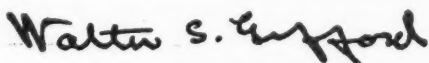
President Hoover has appointed a committee on Unemployment Relief. It is organized to support local relief groups in obtaining funds to help those who need help during this world-wide emergency.

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